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# STATE OF MARYLAND

## REPORT

IN RE

*The Organization and Administration of the  
State Government.*

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## PART II.

### A PLAN OF ADMINISTRATIVE CONSOLIDATION.

April 15, 1921.

GRIFFENHAGEN & ASSOCIATES, Ltd.

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Chicago, April 15, 1921.

HON. ALBERT C. RITCHIE,  
Governor of Maryland,  
Annapolis, Maryland.

*Dear Sir:*

We respectfully submit herewith Part II of our report on the organization and administration of the government of Maryland. This part is entitled "A Plan of Administrative Consolidation." and deals with the structure of the state government as a whole.

Yours faithfully,

GRIFFENHAGEN & ASSOCIATES, Ltd.,

by E. O. GRIFFENHAGEN,  
*Director.*

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## PART II

### A PLAN OF ADMINISTRATIVE CONSOLIDATION

Sound organization and a logical and workable distribution of functions and delegation of authority are admittedly prerequisites to effective administrative control. That the State of Maryland lacks these essentials and that they can be provided only through a reorganization of its administrative machinery, is the theme of this part of the discussion of state problems. The existing situation is described and a proposal for the consolidation of existing departments and other agencies into twelve major units is put forward.

#### SUMMARY STATEMENT OF THE EXISTING ORGANIZATION STRUCTURE

The following list, Table A, names the eighty-five agencies that make up the state organization. The organization, functions, methods, and problems of each of these units have been given careful consideration. In Table A the units are arranged in alphabetical order. The figures regarding the number of employes and the annual appropriation have been secured from the best sources available. They are included only as data of interest in indicating the relative sizes of the various units and not as a basis for any conclusions. The organization structure of each agency is graphically presented in the set of charts submitted herewith as Exhibit I.

TABLE A

*The Departments, Offices, Boards, and Commissions Making Up the  
Organization of the State Government*

<i>Name</i>	<i>Appropriations For Fiscal Year 1921</i>	<i>Approximate Number of Employes</i>
Adjutant General's Office.....	\$125,550.00	32
Agricultural Lime Board, State.....	0	0
Aid and Charities, Board of State.....	4,950.00	2
Armory Commission (Under Adj. Gen- eral's Office).....		0
Athletic Commission, State.....	0	3
Auditor's Office, State.....	14,000.00	3
Bank Commissioner's Office.....	27,500.00	11
Barber Examiners, State Board of.....	0	0
Boiler Rules, State Board of.....	0	0
Chiroprody Examiners, State Board of....	0	0

<i>Name</i>	<i>Appropriations For Fiscal Year 1921</i>	<i>Approximate Number of Employees</i>
Chiropractic Examiners, State Board of..	0	0
Claims Against the U. S., Commission to		
Aid Citizens in Prosecution of.....	0	0
Comptroller's Office, State.....	30,340.00	12
Conservation Commission of Maryland...	287,390.00	108
Correction, House of.....	193,318.62	44
(Under Board of Prison Control)		
Crownsville State Hospital.....	123,370.00	36
Deaf, Maryland School for the.....	48,836.00	47
Dental Examiners, State Board of.....	0	0
Education, Department of.....	57,750.00	12
Eastern Shore State Hospital.....	125,106.19	34
Employment Commission, State.....	20,000.00	4
Engineers (Stationary), State Board of		
Examining.....	0	0
Examiners and Supervisors, State Board		
of (Electrical Commission).....	0	0
Executive Department.....	97,700.00	8
Forestry, State Board of.....	28,580.00	204
Geological and Economic Survey, State..	18,672.00	8
Health, State Department of.....	240,000.00	115
Hay and Straw, Inspectors of.....	0	2
Homeopathic Examiners, State Board of..	0	0
Horseshoers, Board of Examiners of.....	0	0
Industrial Accident Commission.....	87,765.00	36
Industrial Training School for Girls,		
Maryland.....	45,550.00	18
Industrial and Welfare Laws, Commis-		
sion on.....	0	0
Insurance Department, State.....	45,150.00	14
Insurance Laws, Commission to Revise...	0	0
Labor and Statistics, State Board of....	51,790.00	25
Land Office.....	17,085.00	11
Law Department (Attorney General).....	27,315.00	9
Legislation Commission, Uniformity of...	750.00	0
Legislative Reference Bureau.....	3,275.00	3
Library Commission, Maryland Public...	4,584.00	2
Library, State.....	5,800.00	3
Library Committee, State.....	1,500.00	0
Liquor License Commissioners.....	0	2
Lunacy Commission, State.....	5,000.00	2
Medical Examiners, State Board of.....	0	0
Miners' Hospital.....	6,000.00	14
Mining Commission (to codify laws).....	0	0
Motion Picture Censors, Maryland State		
Board of.....	14,828.00	5
Motor Vehicles, Commissioner of.....	202,270.00	100
Moving Picture Machine Operators,		
Board of Examiners of.....	0	0
Normal and Industrial School, Maryland.		
(Under Dept. of Education).....	31,995.00	10
Normal School (Towson).....	108,755.00	32
(Under Dept. of Education)		
Normal School (Frostburg).....	30,100.00	11
(Under Dept. of Education).....		
Nurses, State Board of Examiners of....	0	1
Office Building Commission, State.....	0	0
Optometry, State Board of Examiners of.	0	0
Osteopathic Examiners, Board of.....	0	0

<i>Name</i>	<i>Appropriations For Fiscal Year 1921</i>	<i>Approximate Number of Employees</i>
Parole, Advisory Board of.....	13,300.00	8
Penitentiary, State.....	243,506.49	71
(Under Board of Prison Control)		
Pharmacy, State Board of.....	0	0
Pine Bluff Sanitorium.....	11,022.00	6
Plumbing, Commissioners of Practical....	0	0
Prison Control, State Board of.....	18,400.00	5
Public Accountants, Board of Examiners of.....	0	0
Public Buildings and Grounds, Superin- tendent of.....	23,260.00	29
Public Service Commission.....	119,560.00	37
Public Works, Board of.....	55,844.00	0
Purchasing Bureau, Central.....	15,000.00	10
Racing Commission, Maryland.....	20,000.00	2
Roads Commission, State.....	1,859,900.00	700*
Rosewood State Training School.....	164,030.00	73
Secretary of State's Office.....	5,200.00	1
Soldiers' Memorial Commission.....	0	0
Springfield State Hospital.....	413,304.00	175
Spring Grove State Hospital.....	231,494.00	98
Tax Commission, State.....	60,960.00	21
Tobacco Inspector, State.....	93,096.00	43
Tomatoes, Weigher of.....	0	0
Training School for Boys, Maryland.....	133,620.00	49
Treasurer's Office, State.....	19,820.00	8
Tuberculosis Sanitorium, Maryland.....	200,620.00	89
Undertakers, State Board of.....	0	1
University of Maryland (All Depart- ments).....	506,275.00	600
Veterinary Medical Board, State.....	0	0
War Records Commission.....	15,000.00	5
Washington Cemetery, Trustees of.....	0	0
Weather Service, State.....	1,175.00	1
Woodcarts, Measurer of.....	0	0
Workshop for the Blind, Maryland.....	16,000.00	17

*Note:* For completeness, the table also includes the Maryland Penitentiary and the House of Correction, which are under the nominal control of the State Board of Prison Control, and the three state normal schools which are operated under the Department of Education.

\*Includes an average of 250 laborers.

*Commissions for Special Purposes:* The following six commissions were created for special purposes and will presumably pass out of existence when they have made reports to the Legislature:

Commission to aid citizens of the State in the prosecution of valid claims against the United States (Acts of 1920).

Mining Commission (Acts of 1920)—to investigate mining institutions in the State and codify the mining laws.

State Office Building Commission (Acts of 1920)—to study the advisability of the erection of a State office building in Baltimore.

Soldiers Memorial Commission (Acts of 1920)—to co-operate with other agencies in selecting a suitable memorial to veterans of the Great War.

Commission on Industrial and Welfare Laws (Acts of 1920)—to study industrial and welfare laws and make recommendations.

Commission to Revise Insurance Laws (Acts of 1920)—to study and codify existing insurance laws.

*Agencies Practically Non-Existent:* Four of the agencies listed in Table A are practically extinct,—the offices of Weigher of Tomatoes, Measurer of Woodcarts, Inspectors of Hay and Straw, and State Agricultural Lime Board. Disregarding the six commissions which are temporary in their nature and the four agencies that are practically non-existent, there still remain seventy-five independent, unco-ordinated agencies which the Governor, as the chief executive officer of the state, is expected to supervise.

*How the Agencies are Constituted:* Table B—"Departments and Offices Headed by a Single Executive"—and Table C—"Boards and Commissions"—indicate how the seventy-nine agencies (not including temporary commissions) are constituted. The manner of appointment of officials in individual charge of offices and their term of office and salaries are shown in Table B. In the case of boards and commissions, Table C shows the total number of members, how they are appointed, their terms of office, their salaries, if any, the number of ex-officio members, and the number of members appointed by the Governor. It will be noted that sixty-seven out of a total of seventy-nine establishments, or seventy-one percent, are headed by boards or commissions. Only eighteen offices are headed by a single official.

TABLE B  
Departments and Offices Headed by a Single Executive

Name	How Appointed	Term of Office	Salary
Adjutant General.....	Governor with Senate Confirmation	2 years	\$3000
Auditor, State.....	Board of Public Works	2 years	2500
Bank Commissioner.....	Board of Public Works	2 years	3600
Comptroller, State.....	Elected by People	2 years	2500
Employment Commissioner, State.....	Governor	6 years	5000
Executive Department, Governor.....	Elected by People	4 years	4500
Insurance Commissioner....	Board of Public Works	4 years	3600
Inspectors of Hay and Straw.....	Governor	2 years	Fees
Land Office, Commissioner of.....	Governor with Senate Confirmation	4 years	2100
Law Department, Attorney General.....	Elected by People	4 years	5000
*Librarian, State.....	Governor with Senate Confirmation	4 years	1500
Motor Vehicles, Commissioner of.....	Governor with Senate Confirmation	3 years	4000
Public Buildings and Grounds, Superintendent of.....	Governor	4 years	1500
Secretary of State.....	Governor with Senate Confirmation	2 years	2000
Tobacco Inspector, State...	Governor	Indefinite	4000
Tomatoes, Weigher of.....	Governor	2 years	1000
Treasurer, State.....	Elected by Legislature	2 years	2500
Woodcarts, Measurer of....	Governor	2 years	Fees

\* The State Librarian is responsible in part to the State Library Committee, shown under Executive Boards and Commissions.

TABLE C—Boards and Commissions

<i>Name</i>	<i>Total Number Members</i>	<i>How Appointed</i>	<i>Number Appld. by Gov'r</i>	<i>Number Ex-Officio Members</i>	<i>Governor a Member?</i>	<i>Term of Office</i>	<i>Compensa- tion</i>
Aid and Charities, Board of State...	7	Governor and Ex- Officio	6/7	1	Yes	4 Years	None
Armory Commission, State.....	3	Ex-Officio	None	3	Yes	Indefinite	None
Athletic Commission, State.....	3	Governor	All	0	No	6 Years*	None
Barber Examiners, State Board of..	3	Governor	All	0	No	2 Years	Per Diem
Boiler Rules, Board of.....	3	Ex-Officio	None	3	No	Indefinite	None
Chiroprody Examiners, State Board of .....	4	State Board of Medical Exam- iners	None	0	No	4 Years	Per Diem
Chiropractic Examiners, State Board of.....	3	Governor	All	0	No	3 Years	Per Diem
Conservation Commission of Maryland.....	3	Governor	All	0	No	4 Years	1 @ \$4000 2 @ \$3000
Crownsville State Hospital, Board of Managers.....	9	Governor with Senate Confirm. and Ex-Officio	6/9	3	Yes	6 Years*	None
Deaf, Board of Visitors of Mary- land School for the.....	30	Governor	All	0	No	Indefinite	None
Dental Examiner, State Board of..	6	Governor	All	0	No	6 Years*	Per Diem
Education, State Board of.....	7	Governor	All	0	No	7 Years*	None
Eastern Shore State Hospital, Board of Managers.....	12	Governor and Ex- Officio	9/12	3	Yes	6 Years*	None
Engineers, State Board of Exam- iners of Stationary.....	2	Governor	All	0	No	2 Years	Per Diem
Examiners and Supervisors, Board of Electrical.....	5	Governor from Nominations†	All	0	No	2 Years	Per Diem
Forestry, State Board of.....	7	Governor and Ex- Officio	2/7	5	Yes	2 Years	None
Geological and Economic Survey, State .....	4	Ex-Officio	None	4	Yes	Indefinite	None
Health, State Board of.....	8	Governor with Senate Confirm. and Ex-Officio	6/8	2	No	4 Years*	None

\* Terms of Members Overlaid

† Names submitted by Private Association



<i>Name</i>	<i>Total Number Members</i>	<i>How Appointed</i>	<i>Number Appld. by Gov'r</i>	<i>Number Ex-Officio Members</i>	<i>Governor a Member?</i>	<i>Term of Office</i>	<i>Compensa- tion</i>
Homeopathic Examiners, State Board of.....	8	State Homeopathic Medical Society Governor	None	0	No	4 Years	Per Diem
Horseshoers, Board of Examiners of. Industrial Accident Commission, State.....	5	Governor	All	0	No	2 Years	Per Diem
Industrial Training School for Girls, Board of Managers of.....	3	Governor	All	0	No	6 Years*	\$5000
Labor and Statistics, State Board of.....	15	Governor	All	0	No	2 Years	None
Legislation Commission, Uniformity of.....	3	Governor	All	0	No	2 Years	1 @ \$2500
Legislative Reference Bureau, Directors of.....	5	Governor	All	0	No	2 Years	2 @ \$ 500
Library Commission, Maryland Public.....	6	Ex-Officio	None	5	No	Indefinite	None
Library Committee, State.....	5	Governor and Ex-Officio	3/6	3	No	2 Years	None
Lime Board, State Agricultural.....	3	Ex-Officio	None	5	No	Indefinite	None
Liquor License Commissioners, Board of.....	3	Ex-Officio	None	3	No	Indefinite	None
Lunacy Commission, State.....	5	Governor and Ex-Officio	All	0	No	2 Years	\$2500
Medical Examiners, State Board of.....	8	Governor and Ex-Officio	4/5	1	No	4 Years*	None
Miners' Hospital, Board of Directors.....	7	Medical and Chirurgical Faculty Governor and the Board†	None	0	No	4 Years	Per Diem
Motion Picture Censors, Maryland State Board of.....	3	Governor and the Board†	4/7	0	No	2 Years	None
Moving Picture Machine Operators, State Board of.....	3	Governor with Senate Confirmation	All	0	No	3 Years *	\$2400
Nurses, State Board of Examiners of.....	5	Governor from Nominations†	All	0	No	2 Years	Per Diem
Optometry, State Board of Examiners of.....	5	Governor from Nominations†	All	0	No	3 Years*	Per Diem
					No	2 Years	Per Diem

\* Terms of Members Overlap.

† Governor's Appointees select other members of Board.

† Names Submitted by Professional Societies.

TABLE C, Continued—Boards and Commissions

<i>Name</i>	<i>Total Number Members</i>	<i>How Appointed</i>	<i>Number Appld. by Gov'r</i>	<i>Number Ex-Officio Members</i>	<i>Governor a Member?</i>	<i>Term of Office</i>	<i>Compensa- tion</i>
Osteopathic Examiners, Board of ..	5	Governor from Nominations†	All	0	No	3 Years*	Per Diem
Parole, Advisory Board of .....	3	Governor with Senate Confir- mation	All	0	No	6 Years*	\$1500
Pharmacy, State Board of .....	5	Governor	All	0	No	5 Years*	Per Diem
Pine Bluff Sanatorium, Board of	9	Governor	All	0	No	6 Years*	None
Commissioners of .....	5	Governor and Ex- Officio	3/5	2	No	2 Years	Per Diem
Plumbing, Commissioners of Prac- tical .....	3	Governor with Senate Confir- mation	All	0	No	6 Years*	1 @ \$3600 2 @ \$5000
Prison Control, State Board of .....	5	Governor and Johns Hopkins Governor	All	0	No	3 Years*	Per Diem
Public Accountants, Board of Ex- aminers of .....	3	Ex-Officio Ex-Officio Governor	None None All	3 19 0	Yes Yes No	Indefinite Indefinite 6 Years*	1 @ \$6000 2 @ \$5000 None None 1 @ \$4000 2 @ \$3000 1 @ \$2500 2 @ \$2000
Public Service Commission .....	3	Governor	All	0	No	Indefinite	None
Public Works, Board of .....	17	Governor	All	0	No	Indefinite	None
Purchasing Bureau, Central .....	9	Governor with Senate Confir- mation	All	0	No	6 Years*	None
Racing Commission, Maryland .....	3	Governor	All	0	No	6 Years*	None
Roads Commission, State .....	9	Governor	All	0	No	6 Years*	None
Rosewood State Training School, Board of Mgrs. of .....	3	Governor	All	0	No	Indefinite	None
Spring Grove State Hospital, Board of Managers .....	9	Governor with Senate Confirm. and Ex-Officio	6/9	3	Yes	6 Years*	None
Springfield State Hospital, Board of Managers .....	3	Governor	All	0	No	6 Years	1 @ \$6000 2 @ \$5000
Tax Commission, State .....							

† Names submitted by Professional Societies.

\* Terms of Members Overlap.

TABLE C, Continued—Boards and Commissions

Name	Total Number Members	How Appointed	Number Appld. by Gov'r	Number Ex-Officio Members	Governor a Member?	Term of Office	Compensa- tion
Training School for Boys, Board of Managers of, Maryland.....	12	Governor and Ex- Officio	9/12	3	Yes	Indefinite	None
Tuberculosis Sanatorium, Board of Managers of, Maryland.....	10	Governor with Senate Confirm. and Ex-Officio	7/10	3	Yes	6 Years*	None
Undertakers, State Board of.....	10	Governor with Senate Confirm. and Ex-Officio	7/10	3	No	2 Years	None
University of Maryland, Board of Regents of.....	9	Governor with Senate Confir- mation	All	0	No	9 Years*	None
Veterinary Medical Board, State..	5	Governor	All	0	No	4 Years	Per Diem
Washington Cemetery, Trustees of.	Indefi- nite	Governor and other States†	None	0	No	3 Years	None
Weather Service, State.....	3	U. of Md., Johns Hopkins, and U. S. Weather Bureau	None	0	No	2 Years	None
Workshop for the Blind, Board of Directors of.....	5	Governor and School for the Blind	3/5	0	No	2 Years	None
War Records Commission.....	5	Governor	All	0	No	Indefinite	None
Totals .....	370		276				

\* Terms of Members Overlap.

† Governors of other states may also appoint representatives.

## THE PRINCIPLES THAT SHOULD UNDERLIE ANY REORGANIZATION PLAN

The present structure of the administrative machinery of the state may be judged by certain fundamental principles of organization. A statement of these criteria and an appraisal of the existing scheme of organization in the light of such standards will indicate the possibilities of improvement and will serve as a supporting argument for the reorganization proposals presented in this report.

*First:* The allocation of state functions to major departments should be along natural and practical lines that will bring together those activities that relate to the same subject matter and that can be handled by the same staffs.

*Second:* There should be a strong unifying central control and direction of the entire administrative organization and of each branch and sub-division. The chief executive, the Governor, should be fully responsible for the administrative work of the state, and should have the authority and the means of control commensurate with this responsibility. Unified control also demands the establishment of a means of contact and co-ordination between the various organization units.

*Third:* The plan of delegation of authority should provide for a progressive separation of executive and routine functions, and should limit the number of officers at any point in the scale of authority to those who can be adequately directed and supervised by the official of the next higher rank. Responsibility and commensurate authority, both original and delegated, should in every case be definitely and positively placed.

*Fourth:* Functions which are purely executive should not be vested in boards or commissions, and, conversely, advisory and policy-formulating functions should, wherever practicable, be left to boards or councils, and not to a single official. The first consideration is essential to effectiveness of administration and the second is an antidote for bureaucracy.

*Fifth:* The service functions in any unit of organization, that is, such routine activities as are required in carrying out the main purposes of an administrative unit, should be centralized and consolidated for each major department as far as practicable, and methods of procedure should be standardized within each unit. By this it is meant that such commonly necessary operations as accounting, record-keeping, filing, and handling supplies should ordinarily each be taken care of by one office for the entire department and not scattered among the various divisions.

## CRITICAL COMMENT ON THE EXISTING ADMINISTRATIVE ORGANIZATION IN THE LIGHT OF THESE PRINCIPLES

*First—Improper Allocation of Functions:* The absence of a consistent policy on the part of the Legislature in the establishment of new administrative agencies required to care for the rapid extension of public activities in the last few decades has resulted in the existence of eighty-five agencies which are practically unco-ordinated. Whenever the General Assembly determined that the state should engage upon some new function a new independent unit was usually set up to care for the new activity, rather than attaching it to an existing agency.

Thus the first principle of good organization, that the allocation of functions should be made to major departments along natural lines, has been violated.

One of the criticisms that is universally made of governmental machines that have been built up in other states to meet the need for the increasing interest of the state in the affairs of its citizens is that overlapping and duplication are common. That this should be a prevalent condition is not surprising, as measures providing for the initiation or extension of governmental activity have in many cases been passed by the legislative branch without a proper appreciation of the administrative problems involved. The overlapping and duplication of administrative agencies in Maryland, however, is not, as in many other states, the most serious criticism of the state government. The important consideration in Maryland is the absence of a proper grouping or relationship of administrative agencies, rather than a duplication of effort. No comprehensive definite plan or outline of organization has ever been submitted to the General Assembly to provide for a logical growth and expansion of the government of the state which would make it possible to attach new services to existing agencies without unnecessary duplication of the overhead administrative machinery.

The State of Maryland has not been alone among the states in its wholesale creation of independent executive agencies, particularly boards and commissions. Until recently Massachusetts had two hundred and sixteen practically independent agencies, while Illinois had more than one hundred. In both of these states consolidation has since been effected. The State of New York at the present time has about one hundred and eighty unrelated executive agencies, California one hundred and nine, while Delaware has one hundred and three. Consolidation programs have been placed before the legislatures of these states.

*Examples of Improper Allocation:* A study of Table A brings out some of the inconsistencies in the present arrangement and shows that little effort has been made to bring related units together. In other words, there has been no functional accretion of offices and commissions.

The existence of the State Board of Labor and Statistics and the State Industrial Accident Commission, both of which are concerned with labor problems, furnishes an example of functions exercised by independent boards which should have been co-ordinated originally, and which should properly be brought into a major administrative department. Perhaps the most striking example of the lack of a centralized allocation of state functions is shown by the eighteen distinct boards engaged in examining and licensing various trades and profes-

sions. There is no relationship between them and no standards have been followed in their establishment either as to size, the license fees charged, their operating procedure, or the terms of office or method of appointment of their members.

The management of the various institutions of the state has not been properly co-ordinated, separate boards of managers having been established for most of them. Although a loose kind of functional grouping of the insane asylums has been achieved by the establishment of the State Lunacy Commission, there is no affiliation between these institutions and the penal and reformatory institutions. The State Board of Prison Control and the State Lunacy Commission, both of the nature of clearing houses, have been inadequate for the most part to provide unity and consistency in administrative policies and methods. Ten distinct agencies have been created to regulate private business enterprises in the state or to furnish a service for business interests, yet little thought has been given to affiliating these agencies within a central department of commerce. A smaller number of offices and commissions are concerned with the construction and maintenance of public buildings and highways and function quite independently of each other, whereas they would operate more effectively within a department of public works.

Until a few years ago several unrelated agencies were engaged in enforcing the fish and game laws of the state. Following the recommendations of the Efficiency and Economy Commission, these agencies were combined into the Conservation Commission by the General Assembly, that body thus recognizing the growing tendency in the direction of centralized administrative control and functional organization.

*Difficulty of Comprehending the Present Structure:* The multiplication of executive agencies in the state not only tends to result in duplication of effort and to involve the state in too great an administrative or "overhead" expense but also makes it exceedingly difficult for the public and the General Assembly to comprehend the present structure. Citizens desiring to take up matters with the State government are bewildered. It is difficult, moreover, for the Legislature to grasp the relative costs and results achieved by the major services of the state government, because appropriations for related units are not grouped together in the budget. Unless the related administrative agencies are affiliated and appropriations for them made on this basis, it is obviously impossible for the General Assembly to compare appropriations for specific purposes.

*Second—Lack of Unified Central Control:* An organization made up of eighty-five individual units engaged in administering the executive functions of the state can not only lay no claims to simplicity but can not be properly controlled. Adequate supervision of the activities of all of these agencies by a single individual, the Governor, is a physical impossibility.

The small size of many of the agencies is in itself a factor making consistent supervision difficult. The problem of effective control and supervision is further aggravated in that dozens of kinds of activities are involved, ranging from the licensing of undertakers and plumbers on the one hand to the solution of intricate and far reaching problems of finance and taxation on the other.

An examination of the table of boards and commissions, Table C, discloses that in the case of only thirty such agencies, or one-half, are the members appointed by the Governor upon his own authority. Even in the case of a number of these, his choice is restricted by legislation which requires that appointees to the board in question must meet certain requirements. For example, the law provides that members of the Board of the Eastern Shore State Hospital must be selected from residents of the Eastern Shore counties. Such requirements may be sound in principle, yet they illustrate the tendency to restrict the authority of the executive.

The Governor has partial appointive authority in the case of ten boards whose members are appointed by him subject to the confirmation of the Senate. In the case of four boards the Governor must make his appointments from nominations submitted to him by outside agencies, such as trade associations or professional societies. Seven of the boards are composed of ex-officio members entirely and nearly one-half of them have some ex-officio members, over whom the Governor usually has little or no control. The Governor makes no appointments whatsoever in the case of eleven boards which are largely ex-officio. In the case of four of the commissions the appointing authority is not vested in the Governor at all but is in the hands of private outside agencies, such as the Medical and Chirurgical Faculty, which appoints the members of the State Board of Medical Examiners, and the State Homeopathic Medical Society, which appoints the Board of Homeopathic Examiners.

In comparatively few cases has the Governor been given full power to remove members of boards not in sympathy with his policies, or even those whose conduct he feels does not conform to the best interests of the state.

*The Weakening of Executive Authority by Overlapping Terms:* It will be noted from Table B that in the case of twenty-two boards—one-third of the entire number—provision has been made by law for overlapping terms of appointment. This state of affairs makes it almost impossible for the Governor to obtain the loyal support from these various boards and commissions which he must have if his policies and his ideals are to be carried out during his administration. Consider, for example, the boards of managers of the various state institutions. Members of most of these boards serve for six-year terms while

the number of members averages nine. During his four-year term of office the Governor may, if the law provides that he shall appoint one member every year, make a maximum number of four appointments. Thus even at the end of four years he is not yet responsible for the appointment of a majority of a board of nine members. In some cases he is authorized to make an appointment only once every two years so that two members only would be appointed by him on such a commission.

*Examples of Lack of Statutory Authority for Executive Supervision:* In many cases the state law neither provides nor permits any current supervision on the part of the chief executive, even if he had the time to supervise the activities of the various departments, boards, and commissions. No real executive control can, of course, be exercised over the elective officials of the state,—the State Comptroller, the Attorney General, and the State Treasurer, the last of whom is elected by the Legislature. These elective officials might conceivably be completely out of accord with the policies of the Governor, particularly if they happen to be of another political party. In a number of cases the statutes have not provided for any genuine control over a given office even though the Governor originally makes an appointment to the office in question. For example, no provision is made in the statutes relating to the State Tobacco Inspector for any reports to be made to the Governor indicating the success or failure of the operations of the State Tobacco Warehouses. The Board of Electrical Examiners and Supervisors is not required to report to any state official, either the Governor or the State Comptroller. The medical examining boards are also in this category.

The decentralization of the governmental structure in itself makes it almost impossible to obtain a check on the activities of the state agencies that are required to submit reports to the Governor. These reports cannot be examined and checked because the Governor has no staff which can assume the supervision required. Under the present arrangement, unless inefficiency or indifference in one of the departments becomes so flagrant that it cannot escape notice such a matter may never reach the attention of the chief executive.

*Lack of Means of Co-ordination between Agencies:* Another point in which the present structure of the state government fails to comply with the principle of unified central control is the present lack of proper relationship and co-ordination between the eighty-five scattered units. The Miners' Hospital, located in Frostburg away from the center of state activity in Baltimore, is an illustration of this condition. The Board of Managers of the hospital is exceedingly anxious to receive the co-operation and assistance of other state officials but the institution has for years been practically isolated from any intimate interest on the part of the state administration.



Personal contact with the Board of State Aid and Charities has been infrequent, and valuable assistance in connection with the accounting work of the institution which might have been furnished has never been forthcoming. Under more centralized control, the geographical handicap in this instance would be largely overcome.

This is true to a lesser extent in the case of most of the state institutions. There has been little effective relationship between the administration of the University of Maryland and the State Department of Education, the absence of such co-ordination being of particular importance in making it impossible for the Legislature and the Governor to view the entire education problem of the state as a whole. While in some cases controlling agencies partaking of the functions of a clearing house have been created, notably in the establishment of the State Board of Prison Control and the State Lunacy Commission, these agencies have not provided the organizational facilities which would make possible an interchange of experience and information among the institutions under their control and which would tend to standardize and simplify their administration. Had there been proper co-ordination between these two agencies the recent disagreement between them over the custody of the criminally insane would not have occurred.

Occasionally conferences of groups of state officials concerned in the solution of a common problem are called by the Governor but these meetings have necessarily been all too infrequent. There is no provision for periodic meetings of groups of the more important state officials, tending to develop consistency and uniformity in administrative policies, such as would result from the establishment of a "cabinet" made up of the heads of the major departments of the state government. A re-grouping of the executive agencies and a further reorganization into functional sub-divisions would also make possible occasional conferences of minor supervisory officials. Such conferences would ensure co-operation between like services, which is at the present time extremely difficult and oftentimes impossible to secure, and would provide the machinery for standardization of office practice and procedure. The establishment of definite standards throughout the state government for the maintenance of files, accounts, and personnel and stores records, for example, would eventually result in expediting the operations of the various departments, make for simplification of administrative procedure, and for savings in expenditures.

*Third—Need for a Graduated Plan for the Delegation of Authority:* The third principle of organization which should be considered in connection with any reorganization plan is concerned with delegation of authority, and supplements the principle of unified central control. Any proper plan for a separation of executive and routine functions and a delegation

of authority should provide that relatively few branch chiefs report directly to an administrative officer. Adequate control requires a number of "middle-men" or intermediate supervisory officials. The most striking illustration of how authority should not be delegated is furnished in the present organization of the state government which calls for the theoretical supervision of the Governor over eighty-five units. This situation has already been commented on in connection with the lack of administrative control which it creates. Any business or commercial organization which proposed to hold a single individual responsible for the work of four score unrelated divisions or even for a group of eighty-five employes engaged in widely varying work would be foredoomed to failure. In any ordinary business office it is found that there must be at least one supervisor for approximately every fifteen employes, even though these employes are engaged upon the same kind of work.

The mine inspection service of the Board of Labor and Statistics is an example of how a small sub-division has been unable to function effectively because of the lack of intermediate supervision. There have been few other opportunities for violating this principle of organization in connection with the present governmental structure, largely because of its greatly decentralized nature. In planning a reorganization of the state government, however, the number of branches reporting to an administrative officer and the number of intermediate supervisory officers must receive careful attention.

*Fourth—Executive Functions Vested in Boards and Commissions:* Attention has been called to the requirement that purely executive functions should not be vested in boards or commissions. That Maryland is at present governed largely by commissions is disclosed by a study of Table C which shows that there are sixty-six permanent state agencies headed by commissions, as compared with fifteen headed by a single individual.

It is interesting to note that the state Constitution provides for but one commission, the Board of Public Works. On the other hand it provides for a number of offices to be headed by a single official. Boards and commissions were, in fact, the exception rather than the rule at the time of the adoption of the Constitution, those in existence at that time being almost entirely boards of visitors for various state institutions. With the subsequent extension of the activities of state government, the commission form came to be regarded as a normal, natural type of executive agency. Commissions were created not only for quas-judicial or sub-legislative functions but for purely administrative ends. The State Roads Commission, for example, is purely an executive agency. Nevertheless, three men were placed at its head instead of one. When the boards of managers of the State Penitentiary and the House of Cor-

rection were abolished, another commission, the State Board of Prison Control, was established to carry on the administrative functions of the previous boards.

In recent years, however, there has been a disposition on the part of the General Assembly to return to the "one man" type of administration. This is illustrated in the case of the office of the Commissioner of Motor Vehicles and the provision for the appointment of a single Employment Commissioner. The civil service of most other governmental bodies is in fact administered by a commission, so that the action of Maryland in this regard is in advance of most other states and cities. Another recent example of legislative action is furnished by the Central Purchasing Bureau, in which executive responsibility is practically centered in the State Purchasing Agent, the functions of the board provided being largely of an advisory nature.

No consistent policy has been followed in the creation of boards either as to the number of members provided or their term of office. The membership ranges from two to thirty, twenty of the boards having three members, twenty-five have less than five members, twenty-six from five to ten members, and eight, ten or more members. The term of office of the members of the various boards and commissions ranges from two to nine years.

The salaries of board members range from nothing at all, as in the case of the boards of managers of charitable institutions, to \$6,000 a year in the case of the Chairman of the Public Service Commission and of the Chairman of the State Tax Commission. Members of thirty-three boards are unsalaried while members of sixteen others, largely vocational examining agencies, receive a per diem fee ranging from five to fifteen dollars for attendance at board meetings. In the case of only six boards is the salary large enough to be attractive to individuals of the desired business ability—the compensation for members of these boards being \$3,000 or more.

*Comparison between the Administrative Effectiveness of the Commission and the Single Executive:* Numerous factors enter into an appraisal of the effectiveness of the work of the various departments of the state government, only one of them being the type of organization involved. It is, therefore, impossible to demonstrate such a general assertion as that those agencies headed by commissions have been less successful than those headed by a single official. Nevertheless, it is more than probable that where effective administrative work has been accomplished by boards or commissions, it has been achieved in spite of, rather than as a result of, that type of organization, and that still better results would have been attained if responsibility had been definitely centered on a single individual.

Executive boards have sometimes been handicapped in the execution of their work because all members have taken an

active part in its direction. Executive action has often been postponed because of the absence of one or more members and definiteness of policy has at times become impossible because of differences of opinion. In fact, those commissions whose members have for the most part left the direction of administrative affairs to their chairmen have proved to be the most successful. The willingness of members of the State Roads Commission and the Conservation Commission to impose responsibility upon their respective chairmen appears to be largely responsible for the success of their work. The work of the Board of Labor and Statistics is another illustration of this kind.

In the case of some commissions whose members receive compensation, no definite delegation of authority or supervision over a particular branch of activity has been made to individual members, and the latter have at times found difficulty in finding enough to do to justify their salaries. In the case of unpaid boards, it has been assumed that since the members received no compensation, they were not expected to devote any particular amount of time to the work of the boards in question, and the administrative responsibility has generally been assumed by a secretary or other administrative officer. Occasionally one or two members of unpaid boards are able to assume an active interest in the board's affairs, their personal aggressiveness and initiative being largely responsible for its success.

The vocational examining boards furnish a somewhat different illustration of the failure of the commission form as an administrative agency. Most of them have neither offices nor employes, and it is difficult for license applicants to locate them. Many of them keep no files or records of consequence and their activity is generally proportionate to the amount of time and interest which their secretaries can devote to their work. All of these boards are dependent upon the fees they collect and a number of them live from hand to mouth in a chronic state of insolvency. While a board may be necessary in holding examinations, the administrative functions of these agencies have been woefully neglected because of this type of organization.

In the direction of institutional affairs, the need for a commission form of organization has been materially lessened by the establishment of the State Employment Commission. Boards of managers of these institutions are thus relieved of their personnel work, which formerly constituted one of their chief functions. These boards may now well be abolished together with other executive commissions of the state government.

*Fifth—Opportunities for Centralization of Service Functions Within Departments:* Under the present scheme of state or-

ganization each of the independent units is, of course, required to maintain its own accounting, record keeping, filing, and storekeeping staff. Under a program of administrative consolidation of executive establishments a grouping of some of these administrative service functions within each of the major departments could be effected to advantage. Within a Department of Public Welfare, for example, concerned with the management of charitable and correctional institutions, all financial and accounting functions could be administered by a branch chief reporting to the director of the department. The centering of service functions within the reorganized departments will not only make for more effective administration but also will result in considerable economies.

The modern tendency toward a functional grouping of activities in state governments is evidenced in Maryland by the recent establishment of the State Employment Commission. The function of employment, common to all departments and institutions, has been centralized with the result that these agencies are relieved of administrative detail in this connection and are free to perform far more effective work in their own specialized fields. To point out the advantages of a logical grouping and distribution of functions in an organization is merely to express in another way the present-day tendency toward specialization in all fields of human endeavor.

#### SUMMARY STATEMENT OF THE PROPOSED REORGANIZATION PLAN

The following proposal for the organization of the administrative branches of the state government is put forward as a concrete plan for the correction of the weaknesses and inefficiencies of the existing organization and for the supplying of those prerequisites upon which an effective management of the state's affairs must depend. It provides for the allocation of all state functions, with a few exceptions, to eleven major departments and an independent office of audit and control. It proposes the establishment of advisory councils for eight of these departments and the tying-in of certain existing executive boards with appropriate bureaus or branches of the proposed departments.

The plan rests in part in the short ballot principle in that it proposes a reduction in the number of elective officials. In order to establish the plan in its final form and make possible the appointment of the Attorney-General and the Director of Finance (who would supplant the present State Treasurer) by the Governor, the adoption of constitutional amendments will be necessary. The departments proposed are as follows:

- I—Executive Department
- II—Department of Finance
- III—Department of Law
- IV—Department of Militia

- V—Department of Welfare
- VI—Department of Health
- VII—Department of Education
- VIII—Department of Public Works
- IX—Department of Commerce
- X—Department of Labor
- XI—Department of Employment and Registration
- Office of the State Comptroller

*Administrative and Internal Organization of the Proposed Departments:* Each major department is to be made up of one or more bureaus and an administrative office. The latter would concentrate the administrative service work for the department as a whole and would have general control and supervision over the preparation of departmental estimates and over expenditures, cost accounting, and reports. For most departments this office would keep the controlling accounts of the entire department, prepare accounting statements and reports, supervise the collection of revenues if any, and make all disbursements. It would be under the supervision of the department director and in direct charge of a chief clerk.

The principal policy-determining and administrative officer for each department would be a "Director" appointed by the Governor and removable at pleasure. The eleven directors would all be members of the Governor's cabinet. They would be fully responsible to him and he in turn, because of the close supervision thus made possible, would become a chief executive in the full sense of the term.

There would be one or more "permanent" executive officers in each department, one at the head of each bureau. The bureau chiefs could be given the title of assistant director, deputy director, or chief of bureau, although it might be preferable to retain the term Commissioner, because of its extensive use in the present organization. The positions of the heads of the various bureaus should be placed in the classified service of the state and they should be removable only for cause as provided in the Merit System Law. They would be the permanent expert executive heads as distinguished from the ordinarily transient policy-making appointees of the chief executive of the state.

*Adequate Compensation for Administrative Officers:* Commissioners at the head of the various bureaus should be full-time officials and adequately paid. The state must compete to some extent with private business enterprise by paying adequate salaries if it is to interest competent and experienced business executives in the public service. Their appointment must naturally be safeguarded by qualification requirements of a high order.

With regard to the compensation of the directors of the major departments, there are two alternative policies to be considered.

Either the state may take the course of apparent economy and not expect full-time service and, therefore, not provide sufficient salary to secure men giving their services exclusively to the state, or it may adopt the course that has been generally recommended in connection with consolidation programs in other states and provide adequate salaries for the directors. The first course could probably be justified on the ground that by providing adequate compensation for the permanent heads of bureaus, expert direction of routine work will be insured and full-time attention to departmental affairs on the part of the policy-making heads need not be demanded. This course would further have the apparent advantage of an economy in salary-overhead. On the other hand, as the state's business grows, and even at this time in the case of the larger departments, it is doubtful whether such a course would be a truly economical one. Economies that should result through effective supervision and close control of departmental affairs by thoroughly competent directors who devote full-time to their offices would far exceed the salary cost. In any event thoroughly qualified men must be secured as directors.

*Advisory Boards:* In conjunction with the eleven executive departments and the independent auditing office it is proposed to establish certain advisory boards or councils whose function it would be to advise administrative officials and to assist in the formulation of policies. Each of these boards would be an integral part of a departmental organization, but it is not intended that it should have any active part in administration. It should serve a useful purpose, however, in situations where the judgment of more than one person is valuable, and where the opinions of representatives of the general public would tend to assure the government of the soundness of a given proposal. Positions on such boards would be non-remunerative.

Under the consolidation plan, several existing boards and commissions exercising functions of a quasi-judicial or sub-legislative nature would be retained in substantially their present form, but for organizational purposes would be attached to the proposed departments.

The departments whose organization would include advisory councils or with which would be affiliated existing boards retaining substantially their present form are as follows:

Executive Department

Uniformity of Legislation Commission

Board of the Legislative Reference Bureau

State Library Committee

Department of Finance

Treasury Council

Department of Welfare

State Lunacy Commission

Advisory Board of Parole

Advisory Council on Corrections

Advisory Council on Charities

- Department of Health
  - Advisory Council on Health
- Department of Education
  - Advisory Council on Education
  - Advisory Council on Agricultural Development
- Department of Commerce
  - Public Service Commission
  - Board of Motion Pictures Censors
- Department of Labor
  - Industrial Accident Commission
- Department of Employment and Registration
  - 18 Vocational Examining Boards

*Note:* The plan proposes that such of the existing boards as will retain substantially their present functions and authority shall be known by their present titles. "Advisory Councils" are proposed in those cases where the form or jurisdiction of existing agencies can be changed to advantage.

#### PROPOSED RE-ALLOCATION OF AGENCIES

Table D, which follows, indicates the proposed allocation of the functions of the various existing executive agencies of the state to the new departments. Although the functions of the existing establishments will be combined within the various proposed major departments, some of these agencies will not, of course, be absorbed without a considerable change in their present organization.

TABLE D

*Proposed Departments, Showing Allocation of Functions of Existing Executive Agencies*

- I—*Executive Department*
  - Executive Department
  - Secretary of State
  - Legislation Commission, Uniformity of
  - Legislative Reference Bureau
  - State Library
- II—*Department of Finance*
  - State Treasurer's Office
  - Tax Commission
  - Central Purchasing Bureau
- III—*Department of Law*
  - Attorney General's Office
- IV—*Department of Militia*
  - Adjutant General's Office
- V—*Department of Welfare*
  - Mental Hygiene*
    - Lunacy Commission, State
    - Crownsville State Hospital
    - Eastern Shore State Hospital
    - Rosewood State Training School
    - Springfield State Hospital
    - Spring Grove State Hospital
  - Charities*
    - Aid and Charities, Board of State
    - Miners' Hospital
    - Pine Bluff Sanatorium
    - Tuberculosis Sanatorium, Maryland



Workshop for the Blind, Maryland  
Deaf, Maryland School for the

*Corrections*

State Board of Prison Control  
House of Correction  
Maryland Penitentiary  
Industrial Training School for Girls  
Maryland Training School for Boys  
Advisory Board of Parole

VI—*Department of Health*

Health, State Department of

VII—*Department of Education*

Department of Education  
Normal School (Towson)  
Normal School (Frostburg)  
Normal and Industrial School  
University of Maryland  
State Board of Forestry (Under State University)  
State Weather Service (Under State University)  
Public Library Commission, Maryland (Under State University)

VIII—*Department of Public Works*

Roads Commission, State  
Superintendent of Public Buildings and Grounds  
Board of Public Works (Not including financial functions)  
Armory Commission  
Washington Cemetery, Trustees of

IX—*Department of Commerce*

Bank Commissioner  
Insurance Commissioner  
Motor Vehicles, Commissioner of  
Conservation Commission of Maryland  
Land Office  
Public Service Commission  
Tobacco Inspector, State  
Athletic Commission, State  
Racing Commission  
Motion Picture Censors, State Board of

X—*Department of Labor*

Industrial Accident Commission  
Labor and Statistics, State Board of  
Board of Boiler Rules

XI—*Department of Employment and Registration*

State Employment Commission  
Barber Examiners, State Board of  
Chiropody, Board of Examiners of  
Chiropractic Examiners, Board of  
Dental Examiners, State Board of  
Engineers, Board of Examining (Stationary)  
Examiners and Supervisors, Board of (Electrical)  
Homeopathic Examiners, State Board of  
Horseshoers, Board of Examiners of  
Medical Examiners, State Board of  
Moving Picture Machine Operators, Board of Examiners of  
Nurses, State Board of Examiners of  
Optometry, State Board of Examiners of  
Osteopathic Examiners, Board of  
Pharmacy, State Board of  
Plumbing, Commissioners of Practical  
Public Accountants, State Board of Examiners of

Undertakers, State Board of  
Veterinary Medical Board, State  
*Office of the State Comptroller*  
State Comptroller's Office  
State Auditor's Office

The reorganization plan further recommends that the functions of the Liquor License Commissioners, the Weigher of Tomatoes, the Measurer of Woodcarts, and the Inspectors of Hay and Straw be delegated to the City of Baltimore, if it is decided that these functions be perpetuated. It is further proposed that Johns Hopkins University shall assume increased authority and responsibility over the Geological and Economic Survey, which is already practically a part of that institution.

Table E, on the following page, shows the units of the present organization and the bureaus and departments to which their functions will be assigned under the consolidation plan. The titles proposed for the bureaus of the new departments are, of course, subject to modification and the allocation of functions of some of the existing agencies may also be subject to some adjustment.

TABLE E

*Proposed Distribution of Functions of Existing Executive Agencies  
Among Reorganized Departments*

<i>Present Organization</i>	<i>Proposed Organization</i>	
	<i>Bureau</i>	<i>Department</i>
Adjutant General's Office.....		Militia
Aid and Charities, Board of State.....	Charities	Welfare
Armory Commission.....	Buildings	Public Works
Athletic Commission, State.....	Athletics	Commerce
Attorney-General, Office of the Auditor, Office of the State.....	Audit Division	Law Office of the State Comptroller
Bank Commissioner, Office of the.....	Bank Regulation	Commerce
Barber Examiners, State Board of.....	Registration	Employment and Registration
Boiler Rules, Board of.....	Boiler Inspection	Labor
Chiropraxy Examiners, State Board of.....	Registration	Employment and Registration
Chiropractic Examiners, State Board of.....	Registration	Employment and Registration
Comptroller's Office, State.....	Accounts Division	Office of the State Comptroller
Conservation Commission of Maryland.....	Conservation	Commerce
Crownsville State Hospital.....	Mental Hygiene	Welfare
Deaf, Maryland State School for the.....	Charities	Welfare
Dental Examiners, State Board of.....	Registration	Employment and Registration
Education, State Department of Eastern Shore State Hospital...	Mental Hygiene	Education Welfare
Employment Commission, State.	Employment	Employment and Registration
Engineers (Stationary), State Board of Examining.....	Registration	Employment and Registration

<i>Present Organization</i>	<i>Proposed Organization</i>	
	<i>Bureau</i>	<i>Department</i>
Examiners and Supervisors, Board of (Electrical Commission).....	Registration	Employment and Registration
Executive Department.....	Administration	Executive
Forestry, State Board of.....	University of Maryland	Education
Game Warden, State.....	Conservation	Commerce
Geological and Economic Survey, State.....	To Johns Hopkins	University
Hay and Straw, Inspectors of...	To Baltimore City	or abolished
Health, State Department of....		Health
Homeopathic Examiners, State Board of.....	Registration	Employment and Registration
Horseshoers, Board of Examiners of.....	Registration	Employment and Registration
House of Correction.....	Corrections	Welfare
Industrial Accident Commission, State Insurance.....	Workmen's Compensation	Labor
Statistical Work.....	Statistics	Labor
Industrial Training School for Girls, Maryland.....	Corrections	Welfare
Insurance Department, State...	Insurance Regulation	Commerce
Labor and Statistics, State Board of.....	Inspection	Labor
	Permits	Labor
	Statistics	Labor
Land Office.....	Land Office and Archives	Commerce
Law Department.....		Law
Legislation Commission, Uniformity of.....	Uniformity of Legislation Commission	Executive
Legislative Reference Bureau...	Legislative Reference	Executive

<i>Present Organization</i>	<i>Proposed Organization</i>	
	<i>Bureau</i>	<i>Department</i>
Library Commission, Maryland Public.....	Library Extension Service, University of Maryland	Education
Library Committee, State.....	Library Committee, State	Executive
Library State.....	State Library	Executive
Liquor License Commissioners..	To Baltimore City	Welfare
Lunacy Commission, State.....	Mental Hygiene	Welfare
Medical Examiners, State Board of.....	Registration	Employment and Registration
Miners' Hospital.....	State Aid and Charities	Welfare
Motion Picture Censors, Maryland State Board of.....	Motion Picture Censorship	Commerce
Motor Vehicles, Commissioner of Moving Picture Machine Operators, Board of Examiners of..	Motor Vehicles	Commerce
Normal Schools.....	Registration	Employment and Registration
Nurses, State Board of Examiners of.....	Normal Schools	Education
Optometry, State Board of Examiners of.....	Registration	Employment and Registration
Osteopathic Examiners, Board of	Registration	Employment and Registration
Parole, Advisory Board of.....	Parole	Welfare
Penitentiary, Maryland.....	Corrections	Welfare
Pharmacy, State Board of.....	Registration	Employment and Registration
Pine Bluff Sanatorium.....	Charities	Welfare
Plumbing, Commissioners of Practical.....	Registration	Employment and Registration
Prison Control, State Board of..	Corrections	Welfare
Public Accountants, Board of Examiners of.....	Registration	Employment and Registration

<i>Present Organization</i>	<i>Proposed Organization</i>	
	<i>Bureau</i>	<i>Department</i>
Public Buildings and Grounds. Superintendent of.....	Buildings	Public Works
Public Service Commission.....	Public Utilities	Commerce
Public Works, Board of Financial Functions.....	Treasury Coun- cil	Finance
Public Works.....	Buildings	Public Works
Purchasing Bureau, Central.....	Purchases and Supply	Finance
Racing Commission, Maryland..	Racing	Commerce
Roads Commission, State.....	Roads	Public Works
Rosewood State Training School	Mental Hygiene	Welfare
Springfield State Hospital.....	Mental Hygiene	Welfare
Spring Grove State Hospital....	Mental Hygiene	Welfare
Tax Commission, State	Taxation	Finance
Tobacco Inspector, State.....	Tobacco Inspec- tion	Commerce
Tomatoes, Weigher of.....	To Baltimore C	ity or abolished
Training School for Boys, Maryland.....	Corrections	Welfare
Treasurer's Office, State.....	Treasury and Accounts	Finance
Tuberculosis Sanatorium, Mary- land.....	Charities	Welfare
Undertakers, State Board of....	Registration	Employment and Registration
University of Maryland.....		Education
Veterinary Medical Board, State.	Registration	Employment and Registration
War Records Commission.....	Land Office and Archives	Commerce
Washington Cemetery, Trustees of.....	Buildings	Public Works
Weather Service, State.....	University of Maryland	Education
Woodcarts, Measurer of.....	To Baltimore C	ity or abolished
Workshop for the Blind, Maryland.....	Charities	Welfare

## DESCRIPTION OF THE ELEVEN PROPOSED DEPARTMENTS

In the following sections each of the eleven departments and the independent auditing office under the proposed plan will be discussed. The principal functions of each unit and the general plan of internal organization is briefly set forth and the rearrangement of existing departments and their work as involved in the proposed reorganization is brought out. Questions involved in the allocation of existing agencies to the new departments have been considered in connection with individual studies of the present agencies.

### *I—Executive Department*

*Functions:* Under the proposed consolidation plan the first department will be the Executive Department which, as its name implies, will be the directing and co-ordinating branch of the state government. This Department will take over the work and the staffs of the offices of the Governor and of the Secretary of State. The Department should also be responsible for the supervision of certain agencies now largely independent and inadequately controlled, such as the State Library, the Legislative Reference Bureau, and the Uniformity of Legislation Commission. It might also take over supervision of the Land Office and Archives.

*Organization:* The Governor will be the recognized head of the Department but the Secretary of State will have immediate supervision of its administrative activities and will be in effect the Director, corresponding in rank with the directors of the other ten departments and the State Comptroller. The Secretary of State will be one of the members of the Governor's Cabinet, and it is recommended that he act as the Secretary of the Cabinet, not merely as a recording agent (although that should be one of the functions of his office), but as the aid to the Governor responsible for the promulgation, follow-up, and observance of decisions reached in cabinet meetings.

Under the consolidation plan the functions of the present Board of Public Works, which is now considered as affiliated with the Executive Department, will ultimately be distributed between the proposed Department of Public Works and the Treasury Council which will be attached to the proposed Department of Finance.

*Precedents in Other States:* With one or two exceptions the Secretaries of State of other states are elected by the people, rather than appointed by the Governor, as in Maryland, and proposals for the administrative consolidation of executive departments have in most cases excluded the office of Secretary of State because of constitutional changes which would be required. The office of Secretary of State in Maryland is

further unlike that in a number of other states in that it has no supervision over such functions as the regulation of corporations or the licensing of motor vehicles.

All of the consolidation proposals in other states have, however, either provided for a cabinet for the Governor or for central boards of administration or control, for either of which there must naturally be a secretary and co-ordinating officer. It will, therefore, be a simple matter in the proposed program for Maryland to authorize the Secretary of State to serve as Director of the Executive Department and as Secretary of the Governor's cabinet.

Consolidation proposals elsewhere have also in some instances disregarded units of lesser importance, such as the Uniformity of Legislation Commission and the State Library. It is highly desirable, however, to attach such agencies to one of the major departments in order that some measure of supervision may be exercised over their activities. The same principle applies to the Legislative Reference Bureau in so far as its state activities are concerned.

## *II—Department of Finance*

*Functions:* The second major department in the recommended consolidation plan is the Department of Finance. The need for this Department and the inadequacies and anomalies in the present organization of the state's financial offices are fully dealt with in Appendix A of this report—following a comprehensive discussion of the whole problem of financial administration. It is there recommended that there be created by statute a Department of Finance to exercise the executive functions of central financial administration, that is, all functions except those properly belonging to the independent office of audit and control.

The new Department of Finance will take over all or most of the work of the present offices of the State Comptroller, State Treasurer, State Auditor, State Tax Commission, and Central Purchasing Bureau. Certain functions of independent audit now within the jurisdiction of the State Comptroller and State Auditor, will, however, be taken over by the proposed new "Office of the State Comptroller." The Treasury Council proposed has been commented upon in Appendix A of this report.

The principal work of the Department of Finance will be:

1. Keeping the central books of the state government
2. Receiving, safeguarding, and disbursing public funds
3. Supervising the collection of revenue
4. Assisting the executive in exercising supervision over the expenditure of public moneys
5. Assisting the executive in the work of preparing the estimates and the budget
6. Controlling or executing the purchase of state supplies



*Organization:* It is suggested that the following bureaus be organized with the Department of Finance:

Administrative Office  
Bureau of Budget and Investigations  
Bureau of Treasury and Accounts  
Bureau of Taxation  
Bureau of Purchase and Supply

The head of the Department will properly carry the title Director of Finance and would be assisted by four bureau chiefs, each with the title of Commissioner or Assistant Director. The Assistant Director in charge of "budget and investigations" will be the ranking officer. Until a constitutional amendment is passed, the State Treasurer at present elected by the General Assembly would serve as Director of Finance.

### *III—Department of Law*

Under the proposed re-grouping of state agencies the existing Department of Law will be continued without change in function or organization. The head of the Department, as at present, will be the Attorney-General. Eventually, however, a constitutional amendment should be submitted to the people to provide for the appointment of the Attorney-General by the Governor rather than his election by the people.

### *IV—Department of Militia*

The proposed plan of reorganization contemplates a Department of Militia in charge of the military and naval activities of the state, its director being the Adjutant General. The Adjutant General shall be a member of the Governor's cabinet.

No change in the present organization of the Adjutant General's office will be necessary, the only change being the adoption of the term "Department of Militia" which is in the interest of uniform nomenclature. There will be three main subdivisions to the work of the Department of Militia, an Administrative Office, a Bureau of Inspection, and a Quartermaster Bureau.

In discussing the State Armory Commission it has been suggested that the Commission be abolished and its supervision over the construction and maintenance of armory buildings be turned over preferably to the Department of Public Works. If this is done, the control and use of Armory Buildings, aside from their physical maintenance, should be delegated to the Department of Militia.

### *V—The Department of Welfare*

*Functions:* To the Department of Welfare will be entrusted all eleemosynary and correctional activities of the state, including the allotment of state aid to privately managed charitable and correctional institutions and general hospitals.

The Department will embrace the following existing agencies:

*Relating to Mental Hygiene*

State Lunacy Commission  
Crownsville State Hospital  
Eastern Shore State Hospital  
Springfield State Hospital  
Spring Grove State Hospital  
Rosewood State Training School

*Relating to Charities*

Board of State Aid and Charities  
Miners' Hospital  
Pine Bluff Sanatorium  
Maryland Tuberculosis Sanatorium  
Maryland School for the Deaf  
Workshop for the Blind

*Relating to Corrections*

State Board of Prison Control  
Maryland Penitentiary  
House of Correction  
Industrial Training Schools for Girls  
Maryland Training School for Boys  
Advisory Board of Parole

*Organization:* The Department will be headed by a Director of Welfare appointed by the Governor. It will be divided into five main subdivisions as follows:

Administrative Office  
Staff of Specialists  
Bureau of Mental Hygiene  
Bureau of Charities  
Bureau of Corrections  
Bureau of Parole

The Administrative Office, as in the case of other proposed departments, will concentrate in one unit the machinery set up to take care of the business affairs of the Department. Such activities would include those relating to general correspondence, accounts, records, supplies, and reports. The Chief Clerk in charge of this office should be thoroughly experienced in accounting, office organization, and procedure. In addition to co-ordinating the activities of the Department under the supervision of the Director, and to relieving him of administrative detail, this officer shall have general functional supervision over the clerical and office work of the various institutions. He should be qualified to standardize and simplify the record keeping, storekeeping, filing, and routine accounting procedure of the various hospitals, sanatoria, and correctional institutions.

There will also be attached to the Administrative Office a Medical Supervisor and an Industrial Supervisor who should be specialists in their fields. The Industrial Supervisor shall be responsible to the Director of the Department for the proper conduct of all productive industries established in connection with either charitable or correctional institutions of the state. His first and most important work should be the development of a comprehensive industrial program for state institutions of

all kinds. That beneficial and if possible, profitable, employment must be furnished all wards of the state physically and mentally able to undertake such work has been commented on elsewhere in this report.

The Industrial Supervisor will be assisted by a Farm Agent thoroughly experienced in scientific farming and able to put the various institutional farms on the highest possible productive basis, and perhaps by a Sales Agent responsible for the sale to the State Purchasing Agent or to the public of the products of all institutional industries. The Farm Agent should also be given a measure of supervision over farms at the State Normal Schools, under the Department of Education. The establishment and co-ordination of institutional industries is a task of no small magnitude and will require the services of an industrial manager thoroughly versed not only in industrial management but preferably in occupational therapy. This officer will be charged with the general supervision of all industrial workshops in the institution, of agricultural activities on farms, and of road work, re-forestation, or other public works. He will cooperate with the Bureau of Purchases of the Department of Finance in an effort to produce as many as possible of the supplies needed by the state in its institutions. As business manager of the industries in all institutions the Supervisor will be responsible for both the quantity and quality of production. He will prepare estimates of the number of inmates required to keep the various working forces up to full working strength and cooperate with the Commissioner of Corrections in making assignments of inmates to the different kinds of work. The Supervisor shall recommend rates of wages to be paid inmates of the institutions employed in various industries, giving due consideration to the quantity and quality of production and the rates of wages paid for similar work in private employment.

The Medical Supervisor will exercise general supervision over the medical activities at the various institutions and will have particular charge of medical affairs relating to the state tuberculosis sanatoria and the Miners' Hospital. He should be an experienced physician, preferably one specially versed in the treatment of tuberculosis, and by all means thoroughly grounded in hospital management. He will be responsible for the maintenance of proper sanitary conditions affecting the health of the inmates of all state institutions, will oversee the care of wards of the State requiring hospital attention, and will make recommendations on medical considerations outside of the field of psychiatry.

The Bureau of Mental Hygiene will be in charge of a Commissioner of Mental Hygiene who should be an experienced alienist and will exercise general supervision over the hospitals for the insane and the feeble-minded. He will assist the

superintendents of these institutions with their psychiatric problems and will serve as Chairman of the State Lunacy Commission which will become largely an advisory body of alienists.

The Bureau of Charities will exercise particular supervision over the Maryland School for the Deaf and the Workshop for the Blind as well as over the tuberculosis sanatoria and the Miners' Hospital, aside from the medical considerations involved in the administration of the last mentioned institutions. It will also assume the functions of the present Board of State Aid and Charities. This Bureau will be headed by a Commissioner of Charities who should be experienced in charitable matters and in institutional management. He will prescribe adequate and standard report forms on which the various state-aided institutions will report to the Department, and will oversee the examination of these reports and the periodic inspection of the institutions. He will also serve as Chairman of an Advisory Council on Charities, preferably composed of five members interested in eleemosynary matters. He will be assisted by at least two field inspectors who will be available for the use of the other divisions of the Department when they are not engaged in inspecting state-aided institutions. The jurisdiction of this division will be confined to charitable and correctional institutions, the supervision over state-aided educational institutions being left to the Department of Education.

This Bureau will oversee the allotment of state funds to private and charitable institutions and will be responsible for seeing that this money is properly expended by the institutions in question. Its chief will supervise the preparation of the state-aid budget and will recommend transfers of funds from one agency to another in case of emergency.

The Commissioner of Corrections in charge of the Bureau of Corrections will have general oversight of penal and correctional activities in those institutions concerned with such problems, and will serve as Chairman of an Advisory Council on Corrections, made up of five men and women interested or experienced in criminology. The Commissioner should be thoroughly versed in prison and reformatory management and discipline. He shall be responsible for the preparation and enforcement of prison regulations and he should supervise the classification of prisoners at the time they entered the institution and their assignment to the institutional industry for which they are best fitted. He will also exercise responsibility for the control and supervision of educational training and methods in the correctional institutions, of physical and vocational training, and of prison libraries.

The Commissioner of Parole will serve as the Chairman of the Advisory Board of Parole which shall be attached to this Department. The Commissioner shall be responsible to the Direc-

tor for the administrative effectiveness of his division; but the Board of Parole itself, in so far as its quasi-judicial functions are concerned, shall continue independent of the departmental Director. The placing of the Board of Parole with the Department will make possible an effective cooperation between the management of the various institutions and the Board of Parole, a relationship which is lacking at the present time. The Bureau of Parole will be entrusted with all parole and probation work of the Department, including the release of inmates from reformatories and insane asylums, and social service or after-care work.

The Commissioners of Mental Hygiene, of Charities, and of Corrections will exercise general supervision subject to the Director of the Department, over the superintendents of the various institutions with which their bureaus have been concerned. Their authority will be broader than that proposed for the Medical Supervisor and the Industrial Supervisor whose work will be more largely of a functional nature and will touch all institutions embraced under the jurisdiction of the Department.

*Advisory Councils:* Four Advisory Councils are suggested in connection with the Department of Welfare—the State Lunacy Commission, the Advisory Board of Parole, the Advisory Council on Charities, and the Advisory Council on Corrections. The State Lunacy Commission will be continued in substantially its present form, but preferably without the Attorney General. The Commissioner of Mental Hygiene will call on the other two members of the State Lunacy Commission when it becomes necessary to pass upon the sanity of inmates or prospective inmates of institutions, or to recommend matters of policy involved in the treatment of the insane or the feeble-minded. While in general it is proposed that members of advisory councils receive no compensation for their services, members of the State Lunacy Commission, because of the larger demands made upon them, should be paid for the time they actually devote to their work. The Council on Corrections and the Council on Charities will take the place of the present boards of managers or boards of visitors of the various institutions but will have no administrative authority except the right to make inspections upon their own initiative.

The various councils shall be made up of the best type of public-spirited citizens interested or experienced in their respective fields. It shall be their particular province to furnish constructive suggestions and make recommendations in matters of policy to the Director of the Department and to the various Commissioners. The advisory councils would best be made up of five, or at the most, seven members, while three members will be adequate for the State Lunacy Commission or the Advisory Board of Parole.

The Advisory Council on Charities shall be made up of citizens, each interested in a particular field, such as state aid, the education of the deaf, the education of the blind, or the prevention of tuberculosis, so that this Council can be broken up into sub-committees, each of which could particularly concern itself with the specialized type of institutions involved.

*Precedents in Other States:* Programs calling for the consolidation of administrative agencies in nine states and the Dominion of Canada have provided for the consolidation of charitable and correctional institutions within a Department of Public Welfare. A bill has also been introduced into the Congress of the United States providing for the establishment of such a Department. The states in which such departments have been established or are proposed are the following: California, Delaware, Idaho, Illinois, Michigan, Nebraska, Ohio, Oregon, and South Carolina. In Massachusetts, Missouri, and New York consolidation proposals have provided separate departments for the penal institutions and for the charitable institutions. In the case of New York and Massachusetts, institutions of each class are more numerous and the problem of supervision and control is so big as to warrant consideration of the establishment of separate departments. In Illinois, Nebraska, and Idaho, both charitable and correctional institutions have been grouped together and the plan is reported to be working thoroughly satisfactorily.

#### VI—Department of Health

*Functions:* The Department of Health will have general supervision over matters affecting public health and sanitation. It will have charge of the compilation of statistics, the inspection of foods and drugs, the regulation of sanitary conditions, and the control of epidemics and communicable diseases. The proposed department will correspond closely to the present State Department of Health but will be headed by a Director instead of a board. The State Health Officer will become the Director of Health and the board be made into an Advisory Council on Health. To the Director should be left the entire executive direction of the health activities of the state, the board confining itself largely to giving advice and counsel. The State Health Officer is already for all practical purposes the active directing head of the Department. The change proposed will therefore merely serve to give legal sanction to a condition which already practically exists.

*Organization:* The present Department of Health is organized into the Bureaus of Communicable Diseases, Vital Statistics, Chemistry, Bacteriology, Foods and Drugs, and Sanitary Engineering, and the Division of Accounts and Property. The only consequential change suggested in the internal organization of the new Department is the consolidation of its statistical work. At present both the Bureau of Communicable

Diseases and the Bureau of Vital Statistics are engaged in statistical work and it is believed that better results and greater economy can be obtained by bringing these activities into a single Bureau of Statistics. The Bureau of Communicable Diseases will continue its preventive work as heretofore.

*Advisory Council on Health:* The title of the State Board of Health will be changed under the reorganization plan, in the interest of standard nomenclature, to that of Advisory Council on Health. The relationship between the executive officer and the Health Council, and the amount and kind of power entrusted to each, is most important. The effectiveness of the Department of Health will depend upon the extent to which the Director of Health will be subjected to the control of the Council in the performance of executive duties. The Director will be in closer touch with public health matters than the Council, will have much less difficulty in making up his mind in the face of an emergency as to what action should be taken, and can therefore act more certainly and promptly. He should be entrusted with the entire control of executive matters connected with public health administration and subject only to removal from office for good and sufficient cause.

In drafting sanitary regulations and adopting general rules, in reality a legislative function, the active participation of a board or council is desirable. Even in such matters, however, a board should be confined largely to advice and counsel and encouragement of the executive. On the other hand, if indications suggest inefficiency or negligence on the part of the Director of the Department, the Council should have authority to conduct investigations into the administration of the Department upon its own initiative, and make reports to the Governor and the public.

*Precedents in Other States:* The number of members of the State Boards of Health varies from one in Oklahoma to thirteen in Mississippi, the average being about seven. In most states the practice in the past has usually been to leave the appointment of an executive officer to the Board. The most satisfactory arrangement, in case the Maryland board is to become largely an advisory body and the administration of public health affairs left to an executive officer or Director of Health, will be to have the latter appointed by the Governor.

## VII—Department of Education

*Functions:* A Department of Education is proposed as one of the major administrative branches under the consolidation plan. The Department should properly be responsible not only for the direction and supervision of the elementary, high, and normal schools of the state but also of the state-controlled institutions of higher education—the University of Maryland

and its component colleges. Inasmuch as the only activities of the State of Maryland in the field commonly served by state departments of agriculture are closely tied in with, and are in fact part and parcel of, the work of the College of Agriculture of the State University it would seem for the time being unfeasible to set up a separate department for agricultural work. It is recommended that the proposed Department of Education serve to all intents and purposes as a Department of Education and Agriculture. There would seem to be no reason, however, for using the dual title as the work in the field of agriculture is practically all of an educational character.

It is further proposed that the University of Maryland assume supervision over the work of the State Board of Forestry, the State Weather Service, and the Maryland Public Library Commission. The State Board of Forestry and the Public Library Commission shall be retained more largely in an advisory capacity and greater administrative responsibility shall be placed upon the State Forester and the Field Secretary of the Library Commission. Both of these agencies are concerned with educational extension work and would profit materially by being brought into contact with the State University, without losing their individual prestige. The State weather Service is altogether out of touch with the overhead administration of the state government at the present time, and since it performs a service of value largely to the farmers of the state it could advantageously be affiliated with the Agricultural Experiment Station at the University.

*Organization.*—If the internal organization of the Department of Education were to follow the plan outlined for the other major branches in the consolidation plan it would be comprised of the following divisions:

Administrative Office

Administrative Staff of Supervisors and Specialists

Bureau of Elementary Schools

Bureau of High Schools

Bureau of Normal Schools

University of Maryland

The chief administrative officer shall carry the title of Director of Education: In general, he shall exercise such purely executive powers as are now vested in the State Board of Education and the Board of Regents of the University and and State Board of Agriculture. He should be supported by two advisory boards having counselling, policy-making, and certain quasi-legislative powers. Suggested descriptive names are: Advisory Council on Education and Advisory Council on Agricultural Development. The former should properly be organized into standing sub-committees on Elementary Education, on High School Education, and on Collegiate Education, to work in close co-operation with the corresponding bureaus of the Department.



The permanent executive officers, under the Director, will be: the President of the University of Maryland, who would be the ranking official, and Assistant Directors (or bureau chiefs) in charge of elementary schools, of High Schools, and of Normal Schools. The Director will also be assisted by "super-visors" specializing in certain fields or problems, for example, a Supervisor of Colored Schools and a Supervisor of Vocational Education.

*Precedents in Other States:* Increased centralization of control over all educational institutions in the interest of a comprehensive treatment of the entire educational problem of the state has been the tendency elsewhere in recent years. The relationship of the State University to the rest of the public school system is receiving especial attention. The management of state universities in other states, however, has for the most part been left to a Board of Regents or Trustees who co-operate with the State Board of Education but are not generally subject to any supervision on the part of the State Superintendent of Public Instruction. The greatest concentration of educational authority in one board is probably in Oklahoma where the State Board of Education has charge of the management of nineteen institutions and also has general supervision over the public school system. In Idaho the State Department of Education also supervises educational institutions and the public schools. In ten states— Iowa, Oklahoma, South Dakota, Montana, Idaho, West Virginia, Kansas, Georgia, Florida, and Mississippi— the managing board for the state universities also controls other state educational institutions, but the State Superintendent of Public Instruction is not ordinarily given much authority over the State University. E. P. Cubberley, head of the Department of Education of Leland Stanford University and a recognized authority, has recommended that a State Board of Education "through its executive officers should have general supervision and inspection of all forms of public education in the state."

The problem in Maryland is unique, however, in that all agricultural activities of the state have been entrusted to the regents of the State University, a condition not found in other states. The importance of adequate guidance for the agricultural work of the state may preclude the possibility of merging the Board of Regents of the State University with the State Board of Education. However, there still remains the necessity of effecting an administrative relationship between the State University and the Department of Education.

#### *VIII—Department of Public Works*

*Functions:* As a part of the reorganization plan it is proposed that a Department of Public Works be established to have supervision over the construction and maintenance of all public

works, highways, and buildings. The proposed Department will assume the functions of the present State Roads Commission, the Superintendent of Public Buildings and Grounds, and such of the functions of the Board of Public Works as are concerned with the construction of buildings or other public improvements and with office leases and rentals. The Department ought also to be charged with the construction and maintenance of the state armories at present vested in the Armory Commission, although the use of these buildings should be left to the proposed Department of Militia. It will also have charge of public parks and grounds and would take over the functions of the trustees of Washington Cemetery.

*Organization:* The Department will be headed by a Director of Public Works, who, at least to begin with, might also head the Bureau of Roads which it is proposed shall supplant the State Roads Commission. The head of the Bureau of Roads, which will constitute for the time being the largest part of the Department, can be known as the State Roads Commissioner. There will also be established within this Department a Bureau of Buildings to assume supervision over the work of the Superintendent of Public Buildings and Grounds in Annapolis and over the custody of other state buildings and property. The work of the Bureau of Buildings can be developed to advantage to embrace responsibility for the erection and maintenance of all state buildings, including those at institutions, in which case the Bureau should be headed by a State Architect. Considerable sums doubtless can be saved in connection with the construction work of the state if a consistent policy and definite standards in this connection were carried out by such a bureau. As the work of the Department expands, a separate administrative office, distinct from that of the State Roads Commissioner, will become necessary.

*Precedents in Other States:* Proposals for administrative consolidation in other states have almost without exception provided for a Department of Public Works within which have been placed the functions of road and building construction and maintenance. In some states the maintenance of waterways and harbors or the development of natural resources have also been placed within this department. Most states at present have no regular office of state architect, but in those in which construction works involving aggregate amounts of considerable size are undertaken great economies have been obtained by following a definite policy of building construction under the direction of such an official. A number of the states have also recently provided for centralized control over the maintenance of public buildings and grounds, although their construction work has not been centrally allocated.

## IX—Department of Commerce

*Functions:* It is proposed that a Department of Commerce be established as one of the major units in the consolidation plan. This will concentrate all the functions of the state concerned with the regulation of private business activities except industrial welfare and the licensing of trades and professions. It will also embrace those activities in which the state provides a service for its business interests. In short, it will be the "business" department with which commercial enterprises of various kinds would come in touch. In the first group of activities to be included within the Department would come the regulation of banks, loan brokers, and insurance companies, the regulation of public utilities, the regulation of the fish and the shellfish industries, and the regulation of amusements, including athletic contests, horse races, and the motion picture industry. In the second group would be found the State Tobacco Warehouses, which furnish a service to tobacco growers, and perhaps the Land Office, upon which real estate transfers are dependent.

This new department will logically take over the work, all coming within its field, now delegated to the following miscellaneous agencies:

- Office of the Bank Commissioner
- Office of the Insurance Commissioner
- Office of the Commissioner of Motor Vehicles
- Conservation Commission of Maryland
- Land Office
- Office of the Tobacco Inspector
- State Athletic Commission
- Maryland Racing Commission
- State Board of Motion Pictures Censors

The Public Service Commission should properly be closely tied in with the department but not made as integral a part of it as the other commissions listed above.

*Organization:* The internal organization of the Department will have to be adjusted and perfected as the state develops ways and means of serving and regulating commercial enterprise through legislation. If the ten existing agencies which it is proposed shall be placed within the Department are retained as individual units, the organization of the Department, with the possible addition of a Bureau of Weights and Measures, will be as follows:

### Administrative Office

Bureau of Bank Regulation, headed by the Bank Commissioner

Bureau of Insurance Regulation, headed by the Insurance Commissioner

Bureau of Motor Vehicles, headed by the Commissioner of Motor Vehicles

Bureau of Conservation, headed by a Conservation Commissioner

Bureau of the Land Office and Archives, headed by the Commissioner of the Land Office  
Bureau of Public Utilities, headed by the Chairman of the Public Service Commission  
Bureau of Tobacco Inspection, headed by the State Tobacco Inspector  
Bureau of Athletics, headed by a State Athletic Commissioner  
Bureau of Racing, headed by a State Racing Commissioner  
Bureau of Motion Picture Censorship, headed by the Chairman of the State Board of Motion Picture Censors

Consideration might be given to grouping the Athletic Commission, the Racing Commission, and the Motion Picture Censors, all of which are smaller units than the other divisions proposed for the Department, within a single bureau.

In order to effect adequate supervision and definitely to place administrative responsibility, the bureaus of the proposed department, with a few exceptions, shall be headed by a single individual. In accordance with the general policy advocated in this report, it is recommended that boards and commissions be abolished whenever possible and that the Conservation Commission, the State Athletic Commission, and preferably the Maryland Racing Commission, be supplanted by single commissioners. The Public Service Commission and the State Board of Motion Picture Censors shall be retained because of the quasi-judicial functions exercised by these agencies. The chairmen of these two commissions, however, shall be designated as the chiefs of their respective bureaus, and shall be made responsible to the Director of the Department for the effective operation of the administrative and office details of their respective bureaus.

In case the state should engage upon new activities in the field of regulating or providing service for the business interests, other bureaus can be created within this department. For example, it might be desirable to establish a Bureau of Weights and Measures or of Standards. There already exists some demand for such regulation on the part of the state. The state-wide inspection of scales, weights and measures has been indicated as desirable in connection with farm produce and coal. Farmers selling their produce in other cities of the state outside of Baltimore have felt that they had no guarantee against possible fraud on the part of packing plants because the state does not inspect weights and measures. The coal miners of western Maryland are also said to desire a thorough-going inspection of weight scales at the mines. There are at present a number of state laws regulating weights and measures, particularly those relating to agricultural produce, but there has never been any machinery for the enforcement of this legislation.

Each of the bureaus proposed will continue to perform substantially the functions at present delegated by law to the units which it is proposed shall be merged into the Department of Commerce. The province of the Land Office will be extended to include the custody of State Archives and such departmental records as must be preserved legally for a number of years but to which reference is seldom ever made. If the functions of the Land Office are broadened in this way and a service furnished to all departments of the State Government it might prove more logical to place the Bureau of the Land Office and Archives within the proposed Executive Department than within the Department of Commerce. In that case it would come under the supervision of the Secretary of State, whom it is proposed will head the Executive Department. Probably more time will be spent in Annapolis by the Secretary of State than by the Director of Commerce, whose office will presumably be located in Baltimore, so that supervision on the part of the former might be more effective than by the latter.

An Administrative Office shall be set up for this Department, to be headed by a Chief Clerk. This office will concern itself with the administrative affairs of the Department as a whole, will be the point of contact with other departments and will co-ordinate the work of the various bureaus. The head of this office, as in the case of the Chief Clerk proposed for the Department of Welfare, shall be thoroughly versed in office procedure and methods, and shall be able to assist the commissioners of the various bureaus in standardizing and simplifying the "paper work" of their offices.

In drawing up legislation providing for the proposed department, consideration should be given to vesting the authority now vested in various boards and individual commissioners (with the exception of the Public Service Commission) in the Director of the Department. He could then delegate this authority as he found necessary to such subordinates as would be required for the new department. This plan would permit of greater flexibility in establishing the new organization and might make possible certain combinations and a realignment which would permit of salary and other economies.

*Precedents in Other States:* The administrative consolidation plans of six states, Illinois, Idaho, Nebraska, Ohio, Oregon, and South Carolina, have grouped together the various agencies of the state, in the consolidation plans proposed.

The general tendency in the movement for the administrative consolidation of departments in the various states has been in the direction of the concentration within one department of all agencies concerned with the regulation of business. In Virginia and North Carolina, in fact, the public control

of corporations of all kinds has been vested in single commissions. These have supervision over utilities, banks, insurance, and other kinds of business. Such a plan is ordinarily not feasible, however, because of the specialization required in order to provide proper supervision over divergent kinds of business. Nevertheless, in order that a consistent and uniform policy may be pursued by the state in matters relating to corporate control, it is highly desirable to bring together the various regulatory agencies within one department.

### *X—Department of Labor*

*Functions:* The tenth proposed department is the Department of Labor to which will be assigned all activities concerned with the welfare of the workers of the state. It will be charged with the enforcement of various labor laws, including those regulating the employment of women and children, those providing for factory and mine inspection and for workmen's compensation. One of its bureaus will administer the State Industrial Accident Fund and another will furnish a statistical and information service concerning labor conditions in the state. The arbitration and mediation of industrial disputes will also be included within the province of this Department.

The new Department will take over the functions of the existing Industrial Accident Commission, the State Board of Labor and Statistics, and the Board of Boiler Rules. The statistical work of the Industrial Accident Commission should be transferred to a Bureau of Statistics in the Department of Labor and it is believed a smaller departmental clerical staff would be needed in that case. Arrangements could also be made to have the factory inspectors of the proposed department undertake such investigational work as is at present required by the Industrial Accident Commission.

*Organization:* The head of the proposed Department will be the Director of Labor. The departmental organization will depend in part upon whether or not the functions of the existing agencies are broadened and strengthened. The simplest initial organization will be to provide two bureaus, a Bureau of Statistics and Inspection headed by a single bureau chief or commissioner and embracing the functions of the State Board of Labor and Statistics, and a Bureau of Workmen's Compensation (or of Industrial Accidents) headed by the Chairman of the State Industrial Accident Commission. In the event that a simple organization is decided upon, the Chairman of the Industrial Accident Commission might also serve as Director of the Department. It is probable, however, that a finer subdivision of organization would be more effective.

A more satisfactory organization and one better able to furnish adequate service will be the following:

1. Administrative Office, to handle administrative affairs and for the time being, matters of arbitration and mediation.
2. Bureau of Workmen's Compensation (or of Industrial Accidents), with such sub-divisions as are necessary to carry out the work of the Industrial Accident Commission.
3. Bureau of Labor Statistics, charged with the compilation of statistics and the furnishing of information for the entire department.
4. Bureau of Inspections, embracing a Division of Factory Inspection, a Division of Mine Inspection, and a Division of Boiler Inspection.

In case the Department establishes a free employment service, a Bureau of Employment can be created. In the event that the strike conciliation activities of the Department are considerably increased, a separate Bureau of Arbitration and Mediation can be established. A Bureau of Immigration can also be given consideration. Each of the bureaus of the proposed Department will be headed by a Commissioner, except the Bureau of Workmen's Compensation, of which the Chairman of the Industrial Accident Commission will be the head. This Commission will be continued as it at present exists. Its Chairman, however, shall be held just as responsible for the effectual working out of the administrative details of his bureau as will be the chiefs of the other bureaus.

*Precedents in Other States:* Proposals for administrative consolidation in ten states have called for the concentration of the various labor services. The title "Department of Labor" is not universally used, although the word "labor" usually appears. The plan proposed for Ohio suggests the title "Department of Industrial Relations". Centralized departments of labor have been in successful operation in Illinois, Nebraska, California, Idaho, and Wisconsin for several years.

The uniting of the labor services under one control in other states has permitted of flexibility in the regulations to be applied to labor conditions and has made possible an alliance between the administration of a compensation scheme and the work of accident prevention, between which at present there is no relationship whatever in Maryland. From the standpoint of accident prevention, it would be well to have a compensation law whose burden would fall more heavily upon the careless than upon the careful employer.

In Illinois, where the Bureau of Workmen's Compensation has been headed by three industrial commissioners, efforts are being made to center the administrative responsibility for the work of the bureau more definitely upon the Chairman of the Industrial Commission. In the Ohio plan it is proposed that the director of the department shall serve as secretary of the Industrial Commission, which may be compared to the Industrial Accident Commission of Maryland.

## *XI—Department of Employment and Registration*

*Functions:* The last department proposed under the consolidation plan is the Department of Employment and Registration. It is to have two principal functions—first, the selection, appointment, and removal of employes in the classified service of the State, and the maintaining of records of their efficiency; and second, the licensing and registration of the eighteen trades and professions at present regulated by the state, and such additional vocations as may hereafter be licensed.

If organized as suggested, the Department will take over the work of the present State Employment Commission and the following vocational examining boards:

Barber Examiners, State Board of  
Chiropractic Examiners, State Board of  
Chiropractic Examiners, State Board of  
Dental Examiners, State Board of  
Engineers, State Board of Examining, (Stationary)  
Examiners and Supervisors, Board of Electrical  
Horseshoers, Board of Examiners of  
Hontopathic Examiners, State Board of  
Medical Examiners, State Board of  
Moving Picture Machine Operators, Board of Examiners of  
Nurses, State Board of Examiners of  
Optometry, State Board of Examiners of  
Osteopathic Examiners, Board of  
Pharmacy, State Board of  
Plumbing, Commissioners of Practical  
Public Accountants, Board of Examiners of  
Undertakers, State Board of  
Veterinary Medical Board

*Organization:* The department will be under a Director of Employment and Registration. If its organization is based on the plan proposed in general for the other departments an Administrative Office and two bureaus, a Bureau of Employment and a Bureau of Registration, would be provided. A Chief Clerk would head the Administrative Office and assistant Directors could be placed in charge of the bureaus. The Director could, if desired, also serve as State Employment Commissioner in charge of the Bureau of Employment.

A simple organization, however, and one which would seem to commend itself because of its economy and probably its greater effectiveness, will be to provide only two divisions for the department, an administrative or clerical office, and a Bureau of Examinations. Within the Administrative Office can be handled all of the correspondence, record-keeping, and necessary clerical work, including the issuance of licenses. The Bureau of Examination will receive applications for examinations, and will schedule and oversee tests, not only for employment in the state service, but for license in the various trades and professions. There is a very close relationship



between the work of conducting examinations for positions in the classified service of the state and the examination procedure required in connection with vocational licensing, and much of the same organization and procedure can be used in common if these two functions were grouped together. The office and clerical work is closely related in its nature and a similar procedure will be required in holding either civil service or vocational license examinations in various parts of the state. A separate department of registration can, of course, be established but would scarcely seem to be of equal importance with the other major departments proposed.

The members of all the examining boards, including the boards of medical examiners, shall be appointed by the Director of the Department rather than appointed by the Governor or by private agencies, as at present. The Director would, however, naturally confer with such agencies. An arrangement by which all vocational licenses will be issued from a central office is one which would be of distinct convenience to the public, which will know definitely where to apply for license or registration. At present most of the boards of examiners maintain no offices and those that do are unable to provide employes to keep the offices open for the convenience of the public.\* Under the proposed plan, board members will be relieved of troublesome clerical details. Such matters will be handled in the office of the Bureau of Registration.

The act providing for the bringing together of these license boards should provide a uniform number of three members. Such of the present boards as have been charged with functions extraneous to their licensing work should be relieved of this work, these matters being delegated to other departments. The inspection of the sanitary condition of barber shops, for example, should be assigned to the Department of Public Health. The inspection of electrical wiring, now performed by the Board of Examiners and Supervisors, should be delegated to the Electrical Inspection Bureau of Baltimore City.

With the centralization of the licensing activities of the State, arrangements should be made to extend the license authority to embrace the entire state in the case of such of the boards as do not at present have such jurisdiction. Arrangements can be made with local police or other authorities to enforce

\* *Note:* One of the first duties with which the Director of Employment and Registration should be charged under an act providing for co-ordination of the various examining boards would be to standardize the practice with regard to the amount of fees charged and the renewing of licenses, in so far as standardization is practicable. Certain standardizing of the certificates and other forms in use in connection with the various boards should also be undertaken.

the provisions relating to the license and registration of various vocations.

*Precedents in Other States:* Such a consolidation of the civil service and registration work of the state is being effectively conducted in Massachusetts. In speaking of its operation there, the Director of Registration recently said: "We have assembled our eight boards, medicine, pharmacy, dentistry, optometry, nurses, embalming, veterinary medicine, and electricians, into one division under the supervision of a director. This does not interfere with the individual functions of the various boards but it is a move toward efficiency. I feel this is a move in the right direction." He added that the plan was not only working successfully but was popular with the Legislature.

Other states have also adopted or are considering plans for bringing together the various vocational license boards. In Nebraska the license function is successfully administered under the Department of Public Welfare and in Illinois under the Department of Education and Registration. In Idaho a consolidation under the Department of Law Enforcement has been effected. A recent proposal in Ohio calls for the establishment of a separate Department of Examination.

#### *Office of the State Comptroller*

It is proposed that an independent office of audit and control be created outside of the twelve executive departments to be known as the "Office of the State Comptroller" to stand midway between the administrative and the legislative branches of the state government. Its head will not be a member of the Governor's cabinet, but responsible directly to the General Assembly. The considerations upon which this proposal is based and the functions that the office should assume are fully set forth in Appendix A of this report which will follow.

The officer at the head of this unit will have the title of State Comptroller. The State Comptroller at present elected by the people will serve as the head of the new office bearing his name until the constitution is amended to provide for his selection by the General Assembly. There will be two organizational divisions in this office:

The Accounts Division  
The Audit Division

## APPENDIX A

### THE FINANCE ORGANIZATION

In finance organization two groups of activities should be recognized; the first including activities involved in the financial transactions that are arranged for and carried out as a part of the operation of the business; and the second including the independent review and audit of the affairs of officials responsible for such financial transactions. The audit should compel the enforcement of laws, regulations and executive orders and should ensure the maintenance of adequate accounting standards.

It has come to be generally accepted as the consensus of authorities that independent organization units should be set up to take care of these two sides of financial administration, management of finance and accounting on the one hand and audit control on the other. The first of these should be under the general direction of the executive. The organization dealing with the enforcement of laws and regulations and checking the work of the other group should have a measure of independence.

In some organizations a third group of activities is set out as distinct, viz:—the custody of the funds of the organization. Some years ago the custody of funds was the only independent factor recognized, the modern idea of audit not having been developed. To-day it is generally considered that the custody of funds is a very simple matter. The full development of an audit procedure and the creation of an independent reviewing and auditing office constitutes a sufficient guarantee of the integrity of the treasurer and at the same time makes possible a thorough and valuable control of the financial operations of the organization.

The highest development of the independent governmental auditing office is seen in the British system of government and in the systems of the British dominions. In these countries the auditor holds a position which is said to be half way between the executive and legislative branches.

Under a plan proposed for the United States Government and incorporated in the budget bills recently passed by the Houses of Congress an independent auditing office is to be created. This office termed "The General Accounting Office" is to have accounting functions associated with the problems of audit. The attention of the public has been centered on the budget provisions of the act passed by Congress and not upon the provisions respecting financial organization although the latter probably are of equal practical importance.

Financial powers and duties related to executive direction undoubtedly should be exercised through the medium of a central department of finance, the chief of which should be

responsible to the chief executive. All financial activities except those of review and audit should be supervised by this department. The reason for consolidating financial affairs is simply that the effectiveness of a single organization unit under the leadership of a competent director is greater than that of separate branches carrying on parts of the work independently.

Functions logically pertaining to the finance or treasury department responsible to the Governor are:

- (1) Keeping the central books of the government.
- (2) Receiving, safeguarding, and disbursing public funds.
- (3) Supervising the collection of revenue.
- (4) Assisting the executive in exercising supervision over the expenditure of public moneys.
- (5) Assisting the executive in the work of preparing the estimates and the budget.
- (6) Central purchasing and store-keeping.

There is no department of the government which should so directly represent and carry out the powers of the governor as the finance or treasury department. In every country and state where the executive is given the responsibilities and powers which he should have with regard to financial matters he has the assistance of a chief financial officer.

The functions of the independent financial department or office may be referred to as those of the auditor general. By keeping accounting records for purposes of control and by reviewing the financial affairs of the state, this office should be able to enforce the provisions of appropriation acts and financial legislation as well as the rules and orders of executive officers and the standards of financial administration intended to be observed throughout the service. The influence of the office should extend to all departments. The state's guarantee that all financial affairs are properly managed by the Governor and all branches of the service should be that every act related to public monies or property must be passed or at least reported upon by the office of the auditor general or comptroller.

One of the important functions of the independent auditing and controlling office should be to criticise and offer constructive suggestions with regard to methods of financial administration. Criticisms, including references to specific errors and irregularities and comments on general weaknesses in system, should constitute an important part of the annual report to the Governor and legislature.

The extent to which the auditing department may keep the state's accounts, is often a matter of little importance. The keeping of certain summary and detailed records belongs logically to the function of independent control. Where the

independent financial office has been given wider accounting responsibility and keeps detailed accounting records which are necessary but are not strictly a part of its principal work, there is generally no reason why sweeping changes need be made.

Certain classes of decisions to be made by the executive branch in connection with financial matters are of such importance that it is not uncommon for states to enact legislation providing for an executive council consisting of the governor and other state officials, including the independent auditor general or comptroller, and frequently also including representatives of the legislature. Although the creation of such bodies cannot be defended insofar as they are administrative in character, it is undoubtedly true that responsibility for discretionary action of a quasi-legislative nature may often be properly placed with a group of individuals rather than with the chief executive alone.

#### APPRAISAL OF PRESENT FINANCE ORGANIZATION

The controlling officers and bodies now dealing with the general financial and auditing problems of the State of Maryland are the following:

- The Governor
- The State Comptroller
- The Treasurer
- The Board of Public Works
- The State Tax Commission
- The Purchasing Bureau
- The State Auditor

The Governor as chief executive of the state may be expected to assume general responsibility for all problems of financial administration especially those not specifically assigned to the attention of some other official. Section 18 of Article II of the Constitution provides that the Governor shall twice a year "examine under oath the Treasurer and Comptroller of the State on all matters pertaining to their respective offices and inspect and review their bank and other account books." The extensive powers given to the Governor under the section of the Constitution dealing with the budget need not be reviewed here.

The Constitution provides that the Comptroller "shall have general superintendence of the fiscal affairs of the State," and it specifically assigns to him many duties connected with revenue collection, the settlement of claims, the control of disbursements from the treasury, the prescribing of forms of accounts, the administration of the State debt, etc. Although the Comptroller is independent of the Governor the Constitution does not indicate a clear line of demarcation between the responsibilities of the chief executive and those of the Comptroller. The form of finance organization as set forth in the

Constitution evidently follows the early principle of "check-and-balance" and divided responsibility developed with the idea of preventing the usurpation of improper authority rather than with the idea of securing a strong central organization and the placing of responsibility. In actual practice the scope of the authority of the Comptroller cannot be said to be so wide as that implied by the terms "general superintendence of fiscal affairs" used in the Constitution. The Comptroller's office resembles, in fact, an independent accounting and controlling office such as that described above. The Comptroller is elected by popular vote.

The Treasurer's duties are those which the name of the office implies, viz; the receiving and depositing of state funds, the writing of checks upon the state's account, the signing of evidences of state indebtedness, the keeping of certain accounts, etc. In actual practical importance the office of Treasurer is not adequately described by reference to the specific duties assigned to it. It is recognized that the incumbent of the office should be a man whose advice on financial matters will be of material value to the state. The Treasurer's responsibilities with regard to borrowing are great. The Treasurer is elected by the legislature.

The Board of Public Works possesses under various statutes a considerable amount of authority with regard to financial administration. The State Auditor must report to the Board of Public Works; it is evidently intended that the Board shall take action to correct irregular practices and violations of law reported by the State Auditor. The Board of Public Works is authorized to direct offices and institutions to adopt specified methods of conducting their affairs, and of keeping their books and accounts. It seems to hold general financial powers of a quasi-legislative nature.

The State Tax Commission has general supervision of the assessment and tax systems of the state. Its duties are in the main distinct from those of the other financial officials. It controls the work of a staff which supervises local assessments and makes assessments of corporation property. It acts in a quasi-judicial capacity to decide tax questions appealed from local officials. The three Tax Commissioners are appointed by the Governor.

The Purchasing Bureau is required to direct the work of central purchasing and to prescribe the rules and regulations under which estimates of requirements shall be prepared and requisitions upon the Purchasing Agent made. The Bureau must also prescribe rules and regulations governing methods of purchases and determine and lay down standards for supplies purchased. The Bureau consists of a large number of state officers, representing the various organization units of the state requiring supplies.

The State Auditor, appointed by the Board of Public Works, conducts annual examinations of the accounts of the state and county offices as provided by law, and of such other state departments and institutions as directed by the Comptroller or the Board of Public Works. In so far as his time permits, he is expected to assist in the installation and standardization of departmental accounting systems.

The wording of the Constitution implies the existence of a Treasury Department, consisting of the Comptroller and the Treasurer. As a matter of fact, the work of the Treasurer's Office and that of the Comptroller's Office are closely associated, but there is no such unity as to justify reference to the combined offices as a single department in the ordinary sense of the word.

The principal defects in the present organization for financial administration are the following:

(1) There is no official of the state now recognized as being responsible to the Governor for the advice and assistance needed on all problems of finance and financial control. It is believed that adequate study of all problems of finance and the development of a system of financial administration meeting the requirements of centralized administration is almost impossible so long as the Governor is not assisted by a full time general financial official.

(2) There is no office responsible for control and enforcement of the budget and estimating system and for securing the information needed to compile the budget and review the estimates of departments.

(3) The independent accounting and auditing office under the Comptroller is not given the complete powers and authority to direct all work of review and audit needed to permit the development of its full influence and usefulness.

The above organization defects may be considered to advantage in connection with the problem of putting into effect improved financial methods. Few proposals for extensive changes can be put into effect without the cooperation of state officers whose positions insure their appreciation of the needs and their active support of the work. The Governor's interests should be represented by an officer who will take up the problem of financial administration as an element in executive direction. The specific problems of the budget should be assigned to some one thoroughly familiar with budget problems and representing the financial administration in this field. Audit questions should be given the attention of an officer responsible for the whole field of independent review and control. The correction of the three organization defects enumerated above are necessary to permit all financial problems taken up in this report to be dealt with adequately.

#### RECOMMENDATIONS WITH REGARD TO FINANCE ORGANIZATION

To correct the defects in the present organization for financial administration the following changes are needed:

(1) Provision should be made to permit the Governor's interests in financial administration to be represented by a full time official who shall have charge of all central fiscal affairs involved in the executive direction of the state's business.

(2) The functions and duties of the several agencies and officials at present concerned with matters pertaining to financial administration should be placed under this officer.

(3) This official should be given general charge of the work of departments and institutions in so far as accounting and financial policies and methods are concerned.

(4) A bureau should be established under this official to take care of work connected with the preparation of the budget, the review of departmental estimates, the central control of expenditures in the interests of the executive, and the effecting of improvements in departmental organization and procedure.

(5) The office of State Auditor should be placed under the Comptroller and the organization of the Comptroller's office planned with a view to securing a current audit so far as possible under the treasury system employed.

With a view to effecting these changes the following recommendations are made:

(1) That there be created by statute a department of finance or treasury department to exercise all executive functions of central financial administration, that is, all functions except those of independent audit and control. This department should embrace:

A bureau of budget and investigations,

A bureau of treasury and accounts, (after amending the constitution)

A bureau of taxation,

A bureau of purchase and supply.

(2) That the chief of this department be the Director of Finance of the State, an official compensated for full time work and appointed by the Governor.

(3) That steps be taken to secure an amendment to the Constitution of the State repealing all sections describing the duties of the State Treasurer and substituting sections providing for a Director of Finance (who shall act as Treasurer) appointed by the Governor.

(4) That the Comptroller's office be recognized as the independent auditing and accounting office, the scope of the work of the office being in no respect limited as compared with the work it now does and the duties of the office being broadened by a statute giving the office the work of the present State Auditor. The office should embrace:

An Accounts Division

An Audit Division

(5) That steps be taken to secure an amendment to the Constitution to remove the limits placed upon the Comptroller's salary and provide that the Comptroller be selected by the General Assembly.

(6) That an advisory body on financial policy, to be known as the Treasury Council, be created. This Council should be made up of the Governor, the Director of Finance, the State Comptroller, and the chairmen of the appropriations committees of the respective Houses of the General Assembly. The Governor should have two votes and each of the other members one vote in order that the administration may have an equal voice with the legislative branch in the determination of financial policies. All of the acts of the Council should be through the medium of formal treasury orders passed at duly constituted meetings: the members should have no authority as individuals. The Council should take over the financial functions at present exercised by the Board of Public Works, which should then be discontinued, and in general it should have certain powers, in addition to its advisory duties, over such matters as the transfer of appropriations, the designating of official disbursing officers and of officers qualified to incur obligations, the regulation of the investment of public funds, the designating of state depositories, and the like.



## APPENDIX B

### CONSOLIDATION PROPOSALS IN OTHER STATES— EXPERIENCE AND TESTIMONY

#### *Evils of Decentralization of Authority*

Governor Alfred E. Smith of New York—October, 1919.  
Governor Arthur M. Hyde of Missouri—January, 1921.  
Illinois—Efficiency and Economy Committee—June, 1914.  
President Taft's Commission on Economy and Efficiency—October, 1911.  
Governors' Messages—1921.  
Governor Thomas C. McRae of Arkansas—January, 1921.

#### *Advantages of Consolidation*

Governor Frank O. Lowden of Illinois—1919.  
Committee on Retrenchment and Reform, Iowa Legislature—1914.  
Governor Samuel R. McKelvie of Nebraska—1921.  
Tax Payers' Association of California on Nebraska Plan—1919.

#### *Increased Authority for the Governor*

Reconstruction Commission of New York—October, 1919.  
Survey Committee of State Affairs of Colorado—1916.  
State Efficiency and Trade Commission of Montana—November, 1919.

#### *Evils of Decentralization of Authority:*

*Governor Alfred E. Smith:* The situation in the State of New York as to the lack of executive control and as expressed by Governor Alfred E. Smith in October, 1919, may well be compared to that in Maryland. The Governor said:

"The people of this State think that the Governor has control over administration. As a matter of fact he is constantly being charged with responsibility for administrative activities over which he has no control. The voters of this State should ask themselves these questions:

"1. How can a Governor be responsible for the administration of over one hundred and fifty agencies scattered all over the State and directed by boards, commissions and individuals whom the Governor in most cases does not appoint and cannot remove?

"2. How can a Governor be responsible for appropriations and the amount of State taxes when he has practically no power in making the budget, except the power of veto, which power, as existing, compels the Governor to accept an item in toto or reject it entirely?

"The people must give the Governor authority if they want to hold him responsible."

*Governor Arthur M. Hyde:* Governor Arthur M. Hyde of Missouri, in a special message to the legislature in January, 1921, said:

"The Executive Department is still further broken up by legislative enactments which have created numerous offices, boards and commissions to transact the details of the Executive Department. The per-

sonnel of these various offices is generally appointed by the Governor, but his power to demand accountability, or enforce economy, usually passes from his hand, for practical purposes, with the appointment.

"All of this has been done in the name of democracy and to prevent centralization of control. The process has defeated its own purpose.

"1. It has subdivided the Executive Department with the Governor, the nominal head, to bear the responsibility before the public, but with the real responsibility impossible to fix.

"2. It has aided the development of the invisible government, and the boss system, which is the very object the decentralization sought to prevent.

"3. The Executive Department cannot be coordinated nor made efficient under it.

"4. It is conducive to waste and extravagance."

*Illinois—Efficiency and Economy Committee:* The Efficiency and Economy Committee of the Illinois Legislature in its preliminary report, June 18, 1914, commented on the evils of decentralization as follows:

"As a result of these investigations, your committee finds that a condition of disorganization and confusion exists in the executive departments which necessarily produces inefficiency and waste in the state services. The unnecessary duplication of positions and salaries is a considerable item; but this is the smallest part of the loss. The work that is undertaken is not well done, and costs much more than with a more efficient organization. The lack of proper supervision of the several departments and the absence of cordial cooperation between them necessarily produces inefficiency and waste. The executive organization as now determined by law burdens the Governor with a mass of unnecessary detail, and does not afford him the time nor the facilities for the proper determination of the more important questions of administrative and legislative policy. It fails to provide the General Assembly with adequate information or advice to enable it to perform its work wisely; and it fails to give the general public a satisfactory knowledge of the work that is done, or any means for determining the responsibility for what is not done or is done badly."

*President Taft's Commission on Economy and Efficiency:* The shortcomings of the federal administrative organization were discussed as follows by the Economy and Efficiency Commission in its report to President Taft on October 30, 1911:

"The result is a scheme of administrative organization in which but comparatively little conscious effort has been made to integrate the parts into a systematic whole, so that the duty to be performed will be most advantageously assigned, unnecessary work prevented, and duplications and overlapping eliminated. In like manner the laws and regulations determining how the work shall be performed, what shall be the business practices and procedure followed, where the responsibility shall be located, as well as the character and extent of this responsibility, have come into existence only as the problems presented by the several services have come before Congress or the administration for consideration, and not in response to an organized effort to determine definitely what conditions should obtain for the best advantage of the Government as a whole. As a result almost the widest diversity of law, regulation, and practice is in evidence concerning nearly every feature of the administration of public affairs. Only in exceptional cases have successful efforts been made to standardize practice and procedure, thus to obtain advantages in increased economy and efficiency."

*Governors' Messages:* More than twenty governors of various states recommended consolidation and the short ballot to the state legislatures which convened this year. Governor Dixon of Montana declared:

"Let us nominate and elect the chief executive of the state, then give him full power to name his assistants in administering the various departments of the state government, and we will know exactly where to place our finger in locating blame or praise. In that way only will we do away with this eternal pulling and hauling at Helena. In that way only will we get rid of these superfluous and overlapping jurisdictions of dozens of 'state boards' and 'commissions' with their army of tax-eating employees. In that way only can Montana secure efficient, economical government for our state affairs.

"The 'Chinese Puzzle' of state government in Montana is yearly becoming more and more complicated. We will never solve it until we cut the Gordian knot and enact the 'short ballot' for elective officials."

Governor Cox of Massachusetts also emphasized the growing tendency to center genuine responsibility in the governor, and demanded further authority to appoint the heads of the various departments.

Governor Goodrich of Indiana, speaking after four years of executive service, said:

"A large number of state boards should be eliminated, and the various functions of such offices and boards should be consolidated with a few state departments which are responsible to one chief executive."

Governor McRae of Arkansas, and Governor Hyde of Missouri made the elimination of boards and commissions the paramount issue in their campaigns for governor, and the latter was supported whole-heartedly by the 1921 legislature, a comprehensive program of consolidation now being in the process of installation in Missouri.

*Governor Thomas C. McRae:* In a recent campaign Governor Thomas C. McRae of Arkansas, declared:

"Commissions are the spawn of autocracy; they imply distrust of the people and have no proper place in a democracy. They are wasteful in money, reckless in methods, oppressive in spirit and ruinous in effect. If Arkansas is to be saved from impending bankruptcy, she should harken back to the spirit of her splendid organic law and rid the tax payers of the many sinecures and supernumerary bodies now loaded on them."

"The claim made by many good people that an unpaid board will not function promptly and properly, is not borne out by the history of honorary boards, both in this and other States. The truth is, salaried boards or commissions do not, as a rule, function harmoniously, and almost without exception they are controlled or influenced by politics and politicians. It is equally true that a better class of men and women are obtainable for service upon honorary boards than upon salaried boards."

### *Advantages of Consolidation:*

*Governor Frank O. Lowden:* The results of administrative consolidation in Illinois, in addition to a subsequent decrease in the tax rate, were discussed in 1919 before the Legislature by Governor Lowden as follows:

"The civil administrative code went into effect on July 1, 1917. It amounted to a revolution in government. Under it a reorganization of more than one hundred and twenty-five boards, commissions and independent agencies was effected. Nine departments, with extensive and real power vested in each head have taken the place of those bodies, which were abolished, and discharge, under the general supervision of the governor, the details of government for which the governor is responsible. At the time the bill was up for consideration it was claimed that it would result in both efficiency and economy.

"It has more than justified all the expectations that were formed concerning it. The functions of the government are discharged at the capitol. The governor is in daily contact with his administration in all its activities, Unity and harmony of administration have been attained, and vigor and energy of administration enhanced.

"Illinois, through the greater elasticity and efficiency of her new form of government, was able to meet every emergency of the war without an extraordinary session of her legislature.

"The appropriations made by the last general assembly were based upon pre-war prices and conditions. And yet, we will have completed the biennium without a deficiency in any department under the code, with the exception of the item of supplies for the charitable and penal institutions in the department of public welfare."

*Committee on Retrenchment and Reform, Iowa Legislature:* The Committee on Retrenchment and Reform of the Iowa General Assembly, recommending the delegation of additional responsibility to the Governor, in 1914 reported:

"We believe the state will receive better service, if instead of the present diffusion of powers and responsibilities, the various departments of the state's business activities be placed under direct supervision of department heads, those department heads to be appointed by the Governor and to serve subject to his wish, thus making the Governor or the real administrative head of the state—the real source of authority and concomitant responsibility."

*Governor Samuel R. McKelvie:* There appears no good reason why centralized control for Maryland should not prove as profitable as it has for Nebraska. The new Civil Administrative Code was passed by the legislature in 1919 but appropriation bills for the succeeding biennium were made on the basis of the organization of the previously existing agencies. The Secretary of Finance early this year declared that for the first time in years the state government had lived within the appropriations made by the legislature, and that an unexpended balance of nearly \$200,000 remained in the treasury for the years 1919 and 1920.

Governor McKelvie stated that the actual cash surplus was perhaps the least important benefit obtained under administrative consolidation. Far more important, he stated,

was the increased effectiveness of operation which resulted, and the great improvement in the service furnished the public and the increased efficiency of and larger volume of work performed by the employes of the state. He explained that these benefits were less tangible and difficult to interpret in dollars and cents but that they have resulted in obtaining tens of thousands of dollars of additional service from the legislative appropriations.

"The operations of this plan of administrative consolidation have proven its practicability," declared Governor McKelvie. "Not only has it added greatly to efficiency in the administration of the state's business, but it has effected a genuine economy in the cost of administrative government within these departments. Moreover, it has provided for an adequate control over reporting, auditing and expending the public money."

*Tax Payers' Association of California on Nebraska Plan:* Further comment on the Nebraska plan appears in a statement issued last year by the Director of the Tax Payers Association of California, which made a study of the government of various states and was particularly impressed with Nebraska. Mr. Will H. Fischer, the Director in question, is quoted as follows:

"I feel sure, however, that you and all those who have had a part in establishing the new system, your legislators, the secretaries of the several departments, the bureau and divisional chiefs, and those citizens who have given their co-operation, will feel a pardonable pride in the record made from the outset.

"You will have a far more comprehensive set of reports than were ever obtainable before, showing the people just what service has been rendered.

"You will be able to give as thorough an accounting, financially, as can be rendered by any state in the union. In fact, your department of finance is one of the best in the United States.

"You will be able to show considerable savings on your purchases, even in the face of a market which is most trying.

"You will be able to show an expansion of your humanitarian work, and an intelligent plan for the future.

"You will be in a position to show a far more thorough and effective execution of the laws framed to support and encourage the vast agricultural and allied interests of Nebraska.

"Under your department of justice act all legal work has been concentrated under the attorney-general. A most desirable reform.

"The interests of labor have been promoted and conserved more efficiently than would have been possible under the old system.

"The inspection work of the state, in all departments, commands particular approval.

"As your great system of highways is developed, the advantage of centralized control in your department of public works will command more and more attention and approval.

"You will be able to present to the next legislature a budget which will, in truth, be what budgets ought to be, a balance sheet and a complete work program for the ensuing biennium. This budget your legislature can consider, approve or modify, with real intelligence of judgment and action. This is a tremendous advance.

"And lastly, when at the end of the biennium you return to the treasury, unexpended, a considerable sum of money appropriated by the 1919 legislature, and do this at a time when the average state is 'running in the red' in all departments, I think every citizen will understand that the new system, from the standpoint of cost, is more than in line with his demand for economy."

### *Increased Authority for the Governor:*

*Reconstruction Commission of New York:* Increased authority of the Governor is recommended in no uncertain words by the Reconstruction Commission of New York, under the date of October 10, 1919:

"The only serious argument advanced against such a proposed reorganization and budget system is that it makes the Governor a czar. The President of the United States has administrative power far greater than those here proposed to be given to the Governor. The Mayor of the City of New York appoints and removes all of the important department heads, and citizens know whom to hold accountable. The Governor does not hold office by hereditary right. He is elected for a fixed term by universal suffrage. He is controlled in all minor appointments by the civil service law. He cannot spend a dollar of the public money which is not authorized by the Legislature of the State. He is subject to removal by impeachment. If he were given the powers here proposed he would stand out in the limelight of public opinion and scrutiny. Economy in administration, if accomplished, would redound to his credit. Waste and extravagance could be laid at his door. Those who cannot endure the medicine because it seems too strong must be content with waste, inefficiency and bungling—and steadily rising cost of government. The system here proposed is more democratic, not more 'royal' than that now in existence. Democracy does not merely mean periodical elections. It means a government held accountable to the people between elections. In order that the people may hold their government to account they must have a government that they can understand. No citizen can hope to understand the present collections of departments, offices, boards and commissions, or the present methods of appropriating money. A Governor with a Cabinet of reasonable size, responsible for proposing a program in the annual budget and for administering the program as modified by the Legislature may be brought daily under public scrutiny, held accountable to the Legislature and public opinion, and be turned out of office if he fails to measure up to public requirements. If this is not democracy then it is difficult to imagine what it is. The proposals here advanced are not partisan. Republican leaders and Democratic leaders of the highest standing and widest experience have endorsed the principles upon which they rest."

*Survey Committee of State Affairs of Colorado:* The Survey Committee of State Affairs which investigated the government of Colorado in 1916, reported:

"All administrative offices of the executive branch of the government now appointed by the Governor by and with the advice and consent of the Senate, should be appointed by the Governor alone. All subordinate employes now appointed by the Governor alone, or appointed by him by and with the advice and consent of the Senate, should be either under civil service rules and regulations or appointed by the respective administrative officers."

*State Efficiency and Trade Commission of Montana:* Abuse of appointed power is commented on by the State Efficiency and Trade Commission of Montana, in a report to Governor S. V. Stewart, November 1, 1919, as follows:

"The possibility of the Governor abusing his appointive power would be very remote, for, even if the welfare of the State was lost sight of, the success of his administration and the continuance of his party in power would compel him to appoint the most capable men available. In the past the voters of Montana have either been very fortunate, or they have shown excellent judgment in their selection of a Governor, and we have no doubt they will continue to do so in the future."











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